

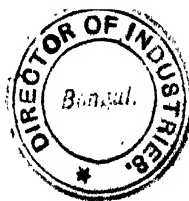
**THE
LIBRARY OF BUSINESS
PRACTICE**

VOLUME V



THE LIBRARY OF BUSINESS PRACTICE

**VOLUME V
SELLING METHODS**



A. W. SHAW COMPANY
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LIBRARY OF BUSINESS
PRACTICE**
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SELLING METHODS

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PART I—SALES METHODS THAT BUILT TRADE

Retail and Wholesale Service

RETAIL business might be described as an organization that deals with demand in the particular and the little. Nothing is too trifling to be studied. The individual preference of a single customer in a hundred thousand has to be understood and met.

Every passing whim of fashion must be investigated to see where it leads. Mercantile novelties must be designed in the spirit of a holiday a year off. A convenience that will add to the comfort of even a small section of the public must be developed. Straws show which way the trade winds blow, and sometimes the shadows of straws.

Wholesale organization, on the other hand, deals with demand in the mass. It takes the novelty that may become a future staple, the hinted fashion, the odd preference, and develops it by use of the most comprehensive, powerful and modern mercantile machinery.

A handwritten signature in cursive script, reading "John G. Shedd". The signature is written in dark ink and is positioned at the bottom right of the page.



JOHN G. SHEDD

President, Marshall Field and Company



I

SELLING GOODS WITH WHAT THEY CAN DO

By A. L. MacBain

AFTER many years spent in perfecting an improved type of duplicating device, a Kansas inventor at last secured financial backing to make a number of machines. In his home town, where he was known, he quickly sold the first machines that he turned out. This gave him a start.

Gradually, the business grew. Salesmen were hired, initiated into the merits of the machine, and turned loose. They met with indifferent success. In Chicago, however, he had a representative whose constant cry was not for encouragement from the home office nor for instructions or leads, but for machines. While other salesmen were unloading their difficulties on the factory, this salesman was bewailing the difficulty of getting enough machines to satisfy his customers.

The manager of the home office took a run to the city to see how this selling was done. He found that the salesroom for his device in Chicago was an open room. Hence it was without eavesdropping that he was able to overhear, while waiting the salesman's demonstration. He was answering the questions of a caller who had dropped into the office. To the manager's surprise, the salesman was greatly ignorant of the mechanical details of the machine. The feature on which the

inventor prided himself most was not even mentioned.

When the manager met the salesman and began talking with him, his first question was, "How are you able to make so many sales when you seem to be in ignorance of what the inventor considers the strong points of his machine?"

The agent's reply furnished the keynote of the new selling campaign by which goods are now rightly marketed. The star salesman was selling *service*.

FIGURES based on service secured decide men—
therefore show them, as did this successful salesman,
what your goods can do, not how they do it.

"When I go in to sell one of these business devices," said the salesman, "I am liable to meet a cold-blooded hard-faced man—a man who thinks in figures. Those figures are based on service. He has bought labor, in some cases, from the time he was able to work himself. He does not care whether a girl, for instance, who is to do his folding, is tall or little or big, or of this or that nationality. But she must be able to fold, day in and day out, a certain number of sheets, and do it accurately.

"When this same man buys a business device he does not care about the inventor's pet point. He does not care whether results are secured by a wheel and an axle, a wedge, lever or an inclined plane. All that he cares about is the service that the machine will render. He wants to know that it will do so much work day in and day out, faithfully and surely, and do it better than any other machine there is on the market. That is his greatest interest.

"On this basis I sell. I do not talk the machine. That is merely the instrument by which he gets results. I

talk service; he cares about that. I arrange my talking points so as to play up the service the device will give, and I translate every argument into terms of service. If I can convince the prospect that we are selling him better service than any one else can offer, I get the order. The number of parts in the machine, how they work, what the price is, are all minor matters when compared with what the device will do. Service is what the buyer wants, and service is what he will pay for."

From this angle the entire selling campaign of the business was recast. Had its backers known of this point of view from the start, early losses would have been forestalled—losses incurred from trying to sell the machine instead of its service. And the company would have started under favorable auspices instead of a handicap.

In the manufacture and sale of motor trucks, as an instance, the customer is not buying a four-wheeled vehicle of a certain weight and equipment, and with a specified engine to drive it. He is buying the service the vehicle will render. The customer asks what machine will do the best work at the least cost, as viewed from his particular requirements.

"The cab and taxicab service in New York lost thousands of dollars," says one of the authorities on automobile trucks, "not from the actual operation of the cabs themselves, but from the fact that they did not know how to get service out of the cabs. These cabs were running twenty-two hours a day.

"It took three months to convince the manager of one company that it was economy to put in another set of cabs and run his equipment ten hours a day, and that the interest on the added investment would be less than the cost of keeping the single set of cabs on a twenty-two

hour service. These cabs are now run on a ten-hour basis and so escape unusual wear and tear. They are giving reasonable service, and are making money for the first time in their history."

The cab company made a false start. If, instead of buying merely enough automobiles to do the work, it had bought a number sufficient to perform the required service and yet "keep alive," its equipment would have been profitable from the start.

A successful manufacturer of washing machines came into the business from the sales end, made a washer to fit the demands of the market, rather than cogs and wheels that would do certain work, and then put men out to sell it. This manufacturer relates an incident which gives his point of view on service.

COULD I get my washing out at ten o'clock?" this customer asked, after every cog had been explained—she wanted results and not mechanical facts.

"A woman dropped into a hardware store where washers were kept," he says. "She told the dealer that she wanted a washing machine. She had six or seven dollars with which to buy it. She wanted to pay cash and take the machine home.

"The dealer, seeing a chance for a sure fire sale, started in to explain the merits of one of the washers that was standing on the floor. He talked for some time about levers, centrifugal and centripetal forces, the cleansing features of hot water in motion, and the advantages of a swinging agitation to produce a profuse lather from soap. He was prepared to keep up the demonstration of the machine's fine points for hours, if necessary. The customer interrupted him. 'It isn't about the fixings that I want to know. Mrs. Hester, my

neighbor across the way, gets her washing out at eleven o'clock. If I buy this machine, could I get my washing out at ten o'clock?"

She was in the market for a washing machine only if it could furnish a service that would enable her to get her washing out before her neighbor.

There is something fascinating about poultry raising; but less fascinating to even the poultry raiser of a mechanical turn of mind is the construction of the incubator that produces the "perfect hatch."

It is interesting to trace the "service idea" in the selling of hatching devices. Almost invariably the men who have the good machines talk "service" to the buyer. The purchaser, in many cases, is briefly informed that he will get the required amount of heating and heat controlling apparatus. He is not loaded up with technical terms and engineering descriptions. He is not befogged with patent phrases or pseudo-scientific sales talk. But he is told by constant reiteration that even the most inexperienced buyer will get a "sure hatch" with the least possible attention to the machine.

One of the most successful selling methods ever used in the incubator line, in fact, was that of the inventor of a standard machine, who drove through the country with a hatcher in his wagon. Although it was subjected to the jolts and jars incidental to travel over rough country roads, the machine made a higher-than-average hatch. Of the thousands of customers and prospective customers who knew that the Bardel incubator would hatch while being driven over country roads, only a few knew anything definite about the mechanical make-up of the device. The incubator would hatch. That was enough.

Today, with dozens of machines competing for sales, it is almost invariably found that the big sales are going

to the men who are selling service and not to those who are featuring mechanism.

"The one point," says a successful incubator sales manager, "that has done more for our sales than any other one factor has been the fact that our improvement of product is followed by selling arguments that get the service value of the improvement before the customer.

"For instance, one of the technical points in incubator making is heat control. Keep the heat at the required point and you get a hatch. Let the heat run a few degrees above or below the hatching point and you kill the unhatched chick. When you get a device like ours—which by means of electrical control keeps the heat constant—you feature results and not the device that gets the results. Even a child can grasp the idea that constant heat gets a sure hatch; the description of a device that gets uniform temperature may be understood only with difficulty by a college professor."

The cement industry has brought into use many machines, each designed to effect the mixing of cement at a rate and price which will make their original cost seem small. These machines sell at prices ranging from small hand machines at a few dollars to pretentious machines for contractors, that sell for nearly a thousand dollars. These larger machines are especially featured by manufacturers.

What induces a contractor, builder or construction man to put down nine hundred dollars for a cement mixer? At least one manufacturer planned answers to this question before he built his machine. For weeks he watched contractors' crews at work. He timed their operations and got records—not of what workmen might do, but what they were actually doing. Then he figured that in order to produce a marketable mixer, he had to

have one that would reduce, below any competitor's, the time required for each operation. The time of getting the cement, stone and water to the machine must be cut; the time of loading, processing and dumping the batch must be lessened; the time of clearing the dumped mixture away must be reduced.

DESIGN and selling plan were both held up by this manufacturer until he could put his finger on the specific service his customers wanted.

On this conclusion both the design and the selling plan were built. The finished machine reduced the time needed for each operation. Then the salesman had but to ask his prospect, "How long does it take to mix and dump a batch?" Usually he continued, "We can cut that time in half for you"—which was the opening talking point. And the entire selling campaign was focused on this service. Every advertisement, every letter, every selling point featured it. Design and make-up of the product were incidental to the main thought of service.

But it is not only in the specialty field that sales are based on results. The retailer also can sell service. A hardware man who had a partnership in a thriving business and wanted to get out of the double harness, sold his share to good advantage. He had money and experience; he now needed only the location. Against the advice of friends and even of his jobber, he put in a stock in a town where local hardware men were complaining that the field was overcrowded and where buyers were too careful with their money to give a satisfactory volume of trade.

The new dealer had studied the surrounding country and compared it with the field he had left. He had

satisfied himself that sales possibilities were there, though latent. His first step was to tell all the customers who came into the store that whatever they wanted to buy they could buy best at his counters, because only those goods were to be handled that gave the best working value; in other words, the best service.

Now, the farmer likes goods that last. He may abuse his purchases and let his machinery, for example, stand out of doors to depreciate more from rust than from actual wear. But he wants durable goods. And that was the kind that the dealer undertook to sell.

Gradually these service points began to have weight. Slowly—for the farmer is not to be stampeded—this particular store began to be headquarters for the long-lasting and serviceable goods in the hardware line. The other dealers had failed to sell goods—this dealer was selling service and goods.

HIS predecessor had given up; but this retailer dusted off the failure's counters and by showing what his stock could do, made the store pay well.

A haberdasher who had made a small success in the outskirts of a city had a chance to secure a leasehold, with fixtures, in the city district. The rent, however, was almost prohibitive. His predecessor had given up because he thought he was working not for himself, but for his landlord.

Relying on his acquaintanceship and the fact that he was a member of a number of city clubs, the young man—in spite of much adverse advice—took over the lease. After getting a fashionable and serviceable stock, he called on a number of his friends. "What does it cost you for haberdashery to keep yourself well dressed?" was the question that he put to each man. The answers

ranged from one hundred dollars to one thousand dollars a year.

Then he explained his plan. "If you will give me the privilege of keeping your haberdashery in style, I will make you a figure that will not only save you money, but will give you service in addition. I will keep you looking conservatively prosperous and up-to-the-moment. Bills will be rendered monthly. In two months' time you will begin to see that your comfort has not only been planned for you, but that you are actually making a money saving."

The proposal was so novel that fully eighty per cent of those solicited were willing to accept it at once. At one sweep the new man secured several hundred permanent accounts—money upon which he could absolutely rely to meet his bills.

Service made the start, and by continuing that service, he laid a foundation for one of the most profitable haberdashery stores in the city.



A *LITTLE of you should go into every article that you sell—something pleasant, possibly the memory of a friendly word or a cheerful smile that will make the goods seem better to the customer who uses them.*

Put your personality into your goods. Make the personality so cheerful that it will add something of pleasure to the purchase.

If a trademark on an article makes an impression on the mind of the user, how much more should he be impressed by a genuine smile and a cordial greeting from the salesman.

The trademark may lead the man to call for the same brand wherever he can find it, but the cordiality of the salesman will bring the customer back to the identical store where the cordiality of the salesman is to be found.

—Herbert S. Collins

Vice President, United Cigar Stores Company

II

HELPING THE CUSTOMER BUY MORE

By George E. B. Putnam

ADVERTISING personal in its effect pulls best. If you can show a woman that you have something which especially suits her in style, quality and size, you are more apt to bring her into the store and make her a purchaser than your competitor who advertises in a general way.

The best way to gather information for personal advertising is to begin at once and take full details of every sale you make. Get the address of the customer. This is easily done if the goods are delivered. A polite request for the name and address generally brings the desired information under other conditions. As fast as these sale slips with addresses are obtained, the information may be transferred by the cashier to cards similar to the illustration shown (Form I) and arranged alphabetically in a suitable box. While, from greater familiarity with that branch of retailing, I have used the selling of shoes as an illustration, the system explained is applicable as well to all other branches of retailing.

Have the cards in a convenient size, with space for the name of the head of the family. This, when it comes to buying, is usually the wife and mother, for she buys for herself and the children, while the man, as a rule, buys shoes only for himself. This point is one to b

tration brings is worth while, and the adoption of the card system will be found the easiest way in which to keep such a list up to date, for if a customer changes his home address it can easily be corrected on the card or a new card made. The changes in sizes of the children's shoes should always be noted, for the little feet will surely grow, and if the list does not keep pace, errors may be made.

One of the disadvantages with which the retail dealer has to contend, is the fact that he may have a large stock of a certain style of shoe and yet be out of the one size necessary to complete a sale. And he may have twenty different styles which fit the customer's foot, but do not suit in some detail or other.

Many unsuccessful attempts have been made to systematize shoe stores and overcome this difficulty. A bright shoe man down in Texas has seemingly solved the problem. Everyone is familiar with the appearance of the average shoe store. The shoes are in boxes, one pair in each box.

This Texas man has a different plan in operation. He has had the first section of his shelving—that nearest the door—arranged into a sample case very similar to those used by manufacturers and jobbers selling shoes from samples. In this case the retailer places one sample of every shoe which he carries in stock. Inside of the shoe is placed a card, telling the number of pairs in stock by sizes.

Now, when a customer comes in the salesman does not have to take down a dozen or twenty different boxes; he simply takes the customer to the sample case to pick out the style desired. A glance at the card shows whether or not the desired size is in stock. If it is in stock, the shoe is quickly found and the sale completed.

If the assortment is badly broken, the sample shoe is taken out of the case and customers prevented from choosing a style in which they can not be fitted. This is an advantage in one way, and a disadvantage in another, for it would seem to favor the breaking up of regular sizes and the accumulation of odds and ends. To avoid this, all the broken lines are placed in the section next to the sample case, and there is a "PM" placed on every pair in that section. "PM" means that a premium or a reward of a certain amount of money (ranging in shoe stores from 10 to 25 cents) will be given a clerk for selling a particular article, which, being out of style, or otherwise difficult to dispose of, is not likely to be brought to the customer's attention by the average clerk under ordinary conditions, owing to the unusual difficulty of marketing it. This premium is an incentive to the clerk to make extra exertions to sell these "stickers".

The two plans, worked together, enable this dealer to work his stocks out very clean and sell nearly fifty per cent more goods per hour in busy times than he could with the same force and his old methods.



WE BELIEVE that our customers and employees feel that our business is as much a matter of personality today as it was in the beginning. Behind each transaction is a personal guarantee, and we trust that behind each customer is personal interest in the growth and the perfecting of a system that seeks to interpret the personal desires of each man, woman and child who deals with us.

—A. Montgomery Ward
Founder, Montgomery Ward & Company

III

TEACHING PEOPLE TO USE THE BANK

By C. J. Colden

LINN, a prosperous banker of the Pacific northwest, lays his fortune to a scheme which reclaimed thousands of acres of swamp land in the vicinity of his town. The boom which followed the completion of the drainage ditch greatly increased the wealth of the people of the valley. Farmers and business men generally shared the new prosperity, but Linn and his bank took the lion's share. Today the Linn bank is the largest in a prosperous city of twenty thousand people.

"Linn," his friends say, "built the ditch. He made the town and the fortunes of its people. We admire the foresight which conceived the project and the business ability which financed and directed it in the face of enormous difficulties. Giving Charley Linn our business is only a slight recognition of the debt we owe him."

Every banker understands the business value of getting close to the hearts of the people, but few of them achieve their purpose. They fail to fully consider the timidity that rises in the average mind at the thought of the power of money and the complex methods of handling it.

They do not realize that many prosperous farmers and owners of small industries use a bank sparingly

simply because they do not understand its functions and resent what seems a lack of reciprocity from the man behind the brass wicket. Most of them have been borrowers from the bank under conditions that worried them from the day the note or mortgage was signed until it was paid off. And when their own surplus profits begin to pile up and they contrast the two or three per cent the bank offers for time deposits (not a few small-town banks decline to pay any interest at all) with the six or seven per cent they sweated out of their furrows in the mortgage days, they feel more than ever that the banker is a class apart. Personal acquaintance, common interests, and some convincing demonstration that the banker, "a plain business proposition," has their welfare and the welfare of the town and county at heart, are needed to break down this armor of reserve, not to say lack of confidence, and turn these neglected prospects into depositors. Let them see a neighbor behind the bronze grills and plate glass, and they are likely to look at the bank from a more agreeable viewpoint.

LINN went deep into the motives behind customers' interests by digging a ditch which brought prosperity and easy times to the territory his bank serves.

Linn, understanding the rural mind, did what few bankers do. He avoided even the appearance of solicitation. His competitors tried to reach the patrons by entering into the lodge and social life of the town. Linn went further than striving for social popularity and appearing to have interest in the affairs of clients. He showed by his work that he had his neighbor's interests at heart.

When he first proposed creating a drainage district,

land owners, dismayed at the thought of the huge sums to be expended, balked at the proposition, although they realized in a vague way the benefits to be derived from the undertaking. To carry out the plan, it became necessary to create a special improvement district and bond the lands within it as a source of funds for building. To secure the necessary votes, meetings were held at the schoolhouse and other public places throughout the valley. Linn was a prominent figure at all of the gatherings.

Before meetings he met and chatted with the farmers of the locality. His explanations, from the platform, of the details of financing the affair were always heard with attention. After the meetings men in the audience who still had doubts remained to question the speakers. Linn, by this means, not only met and became thoroughly familiar with the people of the valley, but from their questions was able to form a good idea as to their intelligence and thrift, their ability and foresight, and consequent worth as clients.

Although the digging of the ditch was attended by disappointments, it was triumphantly completed. All the promises Linn made were found to be conservative. Farmers who had opposed him became his staunchest admirers and when prosperity came to them, they passed it on to him.

Linn had a great opportunity and he took advantage of it. But it is not necessary to wait for a great public improvement to adopt the principles of business getting which Linn used with such good effect. Another western banker played the game in a different way. He noted on his frequent tours of the locality that hundreds of acres were bare of vegetation on account of insufficient water. He read about Turkestan alfalfa, which seemed

suitable for the dry lands of his neighborhood. Letters to the proper authorities brought sample seed. He sowed two acres of alfalfa adjoining a nearby road leading to town and gained intelligent attention for the improvement.

He was the center of alfalfa interest for many months. When the test was successfully concluded after ups and downs, farmers who had watched it were delighted to receive as a gift a quantity of the seed. Taught by the banker how to grow the crop, their trials were so successful that the scheme was followed throughout the locality. Now the yield of thousands of acres has increased enormously in dollars and cents. With increased receipts to the farmers came increased deposits in the bank of the man who had originated an idea, and the progressive banker is enjoying with his patrons a new prosperity.

PART of Texas is now dotted with pecan trees because this successful banker analyzed and found that his customers thought more of them than of pens.

A banker in Texas tired of the stereotyped business-getting methods that he had been using and, realizing the lack of results from his "gift" schemes, returned a consignment of fountain pens sent him and bought choice pecan trees which he presented to his rural friends. As a result of his effort, the country is now dotted with living monuments to his thoughtful generosity and he is reaping a rich reward for his work for others.

A southern banker showed his community how to make dollars by growing strawberries. Others increased dividends by encouraging the culture of the peach and the apple. Cotton growing contests in the south and corn

growing contests in the middle west have obtained business for the banks by increasing the earnings of their patrons.

Close attention to the welfare of rural clients, while necessary for the successful country banker, need not be confined to agriculture. One banker secured for himself scores of loyal friends by accepting county warrants at par when the finances of the district did not strictly warrant it. But the few dollars lost in interest on the transaction were in time more than repaid by school teachers and hosts of county employees who could not afford to have their pay checks discounted as both of the other banks were discounting them.

Bankers often desire to attract prospects to their bank, but fear making their rooms a loafing place. The problem is to attract men on business, not on idle errands. A bulletin board inside a bank gets this result in an eastern community. There is a place on the board for the daily market report and the space is sufficient to permit other announcements. These pertain to local needs. The banker writes with his chalk:

Hired man wanted.—*M. Brennan.*

Two yearling calves to sell.—*B. C. Hall.*

Five-passenger auto for sale.—*Wm. Glase.*

Found, a lady's shawl.—*Jerry Vaughan.*

This simple device serves the rural community in the capacity of the daily newspaper want ad. It brings in inquirers and makes the bank a market place. The opportunity which the board gives for forming acquaintances is turned to profit by the bank officers.

In many sections of the country, the farm loan busi-

ness is a profitable department of rural banking. From the court house the banker obtains a list of the adjacent farm loans. The date of expiration is the important information. Having arrangements to place the loan with a responsible firm, he interviews the borrower a reasonable time before his loan expires. Most farmers prefer to transact this sort of business through the local banker rather than with a casually known loan agent. The banker secures a fair commission, notary fees, and perhaps a new customer. Lucrative deposits are often obtained by having a notary public in the bank as an invitation to seller and purchaser to meet at the bank when closing real estate transactions. The banker's experience is valued in drawing the papers. An accommodating suggestion, a bit of helpful information, and the parties feel under obligation to the banker. He is sometimes rewarded with a liberal deposit.

IT PAID *this young banker to give a few days to attending public sales in the farming section supporting his bank—to make friends and buy notes.*

A banker, dependent upon farmers for business, consented to act as a clerk at a public sale held by a friend and patron. The terms of sale required the purchasers desiring credit to give bankable notes. The banker, having a private rating of every citizen in the county, accepted no uncertain security. Knowing the notes to be safely secured, he purchased the entire lot at a profitable discount. Attending the sale afforded him an opportunity to further his acquaintance with the people of his territory and the purchase of the notes brought new business. His services are now in frequent demand. He is paid a fee of ten dollars for each sale. The incidental business picked up often adds an agreeable profit.

This sacrifice of time has been converted into a pleasant out-door diversion and a helpful excursion for new business. It pays.

One bank uses the farmers' party telephone lines to interest and attract rural customers. A brief wire market report is obtained daily from big markets. At an appointed moment every day, the banker steps to the 'phone and announces to the listening farmers the daily receipts, the top price, the bottom price and the average. This is especially popular in regions where attention is given to the feeding and marketing of live stock and greatly assists in landing desirable accounts.

Making friends with children is the easiest way of reaching their parents' hearts. An Iowa banker in a small country town who passed the public school on his way to his office every morning, noticed the way children clustered about the candy store across the street from the school building. It occurred to him that if children could be awakened to an interest in a school bank the latent instincts of thrift and economy could be aroused. With one of the teachers he established a school savings bank which in the first week of its operation brought in \$75.00. Children have stopped injuring their health by stuffing themselves with candy of doubtful origin and many of them have acquired savings accounts of considerable size in the banker's safe.

When Vernon Knabb became the banker of an uninviting coal mining town in the Rocky Mountains, he regretted the momentary enthusiasm which led him to the place. The population appeared as uninteresting as the dreary environment. The unpainted shacks were almost obscured by ugly piles of dirt and refuse, and healthy, active life, especially for children, was totally lacking.

The banker infused new life into the community by equipping a playground near his place of business. At a quarter past four every pleasant afternoon he is at the playground and remains until six. He introduces all the outdoor pleasures, tactfully organizes athletic contests, and gives the playground general supervision. He is the friend of the girls and boys, to whom he teaches the playground lessons of promptness, attention, accuracy, cooperation and self-control. The friendship of their children attracted the parents. Interest in the banker changed to friendship, and confidence in the bank and, as a consequence, the savings department, now patronized by old and young, has made surprising growth. This thoughtful and delightful innovation has proved a good investment and, in addition, a gray-haired banker is growing young again.

MEN of affairs are continually shouldered with community responsibilities and bankers find it worth while to develop themselves for these tasks.

Because of his prominent position in the finances of the community with which he is identified, the banker possesses exceptional opportunities to become a man of public affairs. Loyalty in this work wins personal confidence. If his town is in need of a sewer system, he can take the lead for sanitation and progress. If the improvement calls for a bond issue, he is depended upon to sell the securities, taking a reasonable compensation for his efforts. When the bonds are sold, the funds probably remain in his bank until checked out. In many instances this is a valuable item. Again, when taxes are collected to discharge the debt, the funds are likely to be handled by the bank identified with the proposition.

The erection of a modern school building, the con-

struction of a rock road, or the installation of a water works, therefore enables the progressive banker to identify himself with the public good, and, at the same time, pays him dividends for doing his duty. Few vocations are so fortunate. Often a reactionary policy has a reverse effect. Likewise, an influence exerted in behalf of a questionable proposition may end in irreparable disaster. No banker should forget that he is the financial pilot of his people. To advise a few wrongly, shakes the confidence of many.

There are instances in which the banker is alert and yet does not obtain satisfactory returns from his efforts. Wilson was such a banker. He studied his territory. He had superior facilities. He was forceful in his methods. For some unknown reason he was not landing certain desirable prospects. He singled out one on whom he had made a persistent effort. The fellow was friendly, conditions were favorable, but the puzzling prospect continued to do business with another bank. By judicious inquiry, the banker obtained the reason why from a mutual friend. This is the banker's information:

"Yes, Wilson is a fine fellow, a good banker. I'm very anxious to do business with him, but that little red headed bookkeeper of his visits with our young folks and tells everything that happens in that bank. I don't care to have my business affairs peddled over the country." Generating new business for a country bank is lost energy if the man behind the wicket overlooks the leaks.

After perfecting the banking machine by inspiring employees to loyalty and enthusiasm, the modern banker follows the Linn idea: that of trading service for service to mutual profit. By encouraging and assisting trust-

worthy young men and helping meritorious enterprises, the tactful banker gets business, yet avoids direct and indiscriminate solicitation. When a patron is secured by direct persuasion, he often expects too much from the institution. The Linn idea transfers obligation to the customer. Rightly, however, there is no talk of obligations; transactions are kept on a plane of friendly cooperation. The banker thereby retains his business freedom and is in a position to decline courteously favors which cannot be profitably granted.

Not only does he keep on cordial terms with his old neighbors in his community, but he identifies himself with the new substantial interests as a means of holding public attention. Like Linn, he helps himself by helping others.



THE dealer who succeeds in making his store distinctive must do more than find out where his stock or his service fails to satisfy his customers. He must take steps to supply these gaps, either by obvious method of finding in the line of some manufacturer other than his regular suppliers the goods he needs, or by persuading some maker to produce these wanted patterns. He may have to do nearly all the studying, the experimenting, the analyzing, and the designing himself. He may receive so little help or cooperation from producers of standard models or patterns that he is obliged to manufacture his special models or patterns himself. Such at least, was my experience.

—J. S. Coward

President, Coward Shoe Company

IV

MORE REAL ESTATE SALES WITH LESS EFFORT

By Z. F. Windes
Browne, Windes and Company

TWO men can't do the work of twelve unless that work is organized. What we need is short-cuts—economical ways of helping our prospects to find the kinds of properties they want, thus making it easy to sell them."

That was the joint conclusion my partner and I reached a few years ago. Our business is suburban real estate—our operations limited mainly to one town. On Saturday afternoons and occasionally week nights, we were confronted with the impossible task of each handling from four to six customers at once.

One way or another, we had to develop a method of getting more out of these rush periods. The people who came into our office did so on their holidays or during the hours ordinarily given to rest and recreation. They had no time to throw away. They did not like to stand waiting while we asked questions, described properties and quoted prices to earlier arrivals. Frequently we lost sales, too, because we could not bring more than a few of our properties to the attention of a prospect before he had to leave.

All along the line, we needed to short-cut routine. We were using up too many minutes finding out what sort of a house a customer wanted, what price he wanted

to pay, which part of the town he fancied, and other details we needed.

To make quicker connections would mean ability to handle more customers and to show a greater number of properties to each. This should result in more sales. The situation challenged our intelligence. We studied conditions, analyzed methods, made changes. And the system which we were able to develop allows my partner and myself to give each of our Saturday afternoon customers personal attention without exhausting their patience and interest. The customers sometimes bank two or three deep around our long desk, yet they receive the service for which they come from the moment they enter the door.

WINDES reaches his prospects before they cross his office doorway with his successful and tested system for selling more real estate with less effort.

In fact, our system takes hold of them before they open the door. In the two front windows are racks filled with photographs, four inches by five in size. Each photograph gives a view of a property we have for sale. Whatever is characteristic and "different" about a property we try to show in the photograph. We try to bring out, not the selling points particularly, but those things about a house and lot which a customer would ask about. The number of trees, distance to the nearest house, whether there are bay windows, what kind of porches—the size, general style and most important features are made known to the first glance.

For the further saving of time and the convenience of both salesman and customer, each photograph carries the serial number of the property. Through all our records and on all our lists the same number

designates the property. The prospect does not have to take the salesman over to a rack and point out which property he is interested in. He asks, "How about No. 411 or No. 562. Are you sure the taxes are paid on 411? Is \$5,000 the best price you can make on 562?" The salesman with this duplicate description slip and his memory of the appearance of the property, besides office records ready at hand, is prepared for instant reply.

A prospective customer takes a look over the photographs. He finds one that interests him. Then, for his convenience, he finds right alongside it a description of the property, typewritten on a slip of paper somewhat longer than the postcard. The slip tells him about the number of rooms in the house, size of the lot, directions of frontage, light and water facilities, drainage or street improvements, incumbrances—and the price. These racks are "silent salesmen." People believe that which they see and the camera makes them see.

"Is the place just like the picture?" I am asked sometimes. The answer is, "If you stand where the camera was when the exposure was made the place will look to you just as it does in the photograph."

The photographs cost a little over six cents apiece; they are made with our own camera. The labor and time involved are negligible; a commercial photographer does the developing and printing. Sometimes our stenographer enjoys a holiday "snapping" the properties. Sometimes a residence may have improvements and changes so that it looks different from our photograph. This doesn't happen often and the changes are generally added advantages we are pleased to mention to our customers.

No talk about property is so effective that it can not

be richly supplemented with good photographs. When a man points at a picture and says, "That's the kind of a place I want," our task is simplified. We can get down immediately to the next steps of location and price. On a wall map, rolled up, each property is marked with its number. When a prospect has become interested, the map is pulled down and he is shown the location of the lot considered.

Inside the office are additional racks like those in the window. They enable us to show a dozen or more customers at one time several hundred properties. At the very start, therefore, before we learn the name of the man we are dealing with, we have answered all the questions he may ask.

THIS profitable sale was half made by the system—
*Winder simply told the department manager of a
big Chicago store how to sell himself a house and lot.*

A department manager of a big Chicago store came in the other day.

"I haven't got much time to knock around looking at places," he said, "I'd like to do business, if we can do it quickly."

"Run over these racks in the window first and then take a good look at these wall racks inside the office," I replied; "pick out the places you think might suit you. Each place has a number, you will see. Write that number on this piece of paper."

He brought back the numbers of twelve places. We jumped into his automobile and went to the four he liked best. He bought one of the four. It was only one of many sales I am sure would not have been made if it were not that we have a system which helps our customers to find what they want in the shortest possible

time. This was a situation, too, where our system was better than twelve salesmen would have been—no number of salesmen in the time available could have told that customer what we had to offer him, so quickly and satisfactorily as did the photograph and number combination.

When a man comes into our office and asks about property, we tell him all he wants to know and learn his name. Generally, he gives it without being asked. His name, address, business, and the 'phone numbers are written on a blue card. From time to time as offerings are made to him, their numbers are written on this card. All the cards for the current month are kept in a desk file. Whenever an offering or sale is made, it goes on the customer's card. If a customer proves unproductive that information goes on the slip. •

Once a month a stenographer transfers all these items to the Property Book and the Customer's Book. In the former each property has a column for its serial number and under this, with the date, is written the number of every customer to whom it is offered. In the Customer's Book this process is reversed.

The time required to keep our records is short. Half a day each month is needed for all entries into the Property Book and the Customer's Book. Since a number can be written so much more quickly than a name or a description, all number entries require less than one day's time a month.

A considerable number of our prospects cannot get the time to look at properties. From time to time, therefore, we mail the photographs and description slips of properties in which they may be interested. More than half of the pictures are mailed back to us. On rainy days or at other times when there are no callers,

we classify prospects and send them pictures and descriptions of suitable properties.

There are certain properties at all times to which we want to give special attention. They are the properties we are most interested in putting forward. So we have on our desks at all times, at our fingers' ends, a bunch of the little typewritten lists describing those properties. By constant reference to these, we get thoroughly familiar with the selling features of the properties we are most interested in marketing.

Duplicates of all advertising copy sent to newspapers are kept in a desk drawer. The location of the property is written on the duplicate so that if the partner who wrote the copy is away from the office, we know which property he advertised.

First and last, we remember we are salesmen. We have little time for office detail. A fifteen-dollar-a-week stenographer takes care of the details, while we go out after the business which otherwise might escape.



THERE is a large department store in one of the upstate cities of New York, that, outside of commonsense business methods, owes its remarkable growth entirely to the high esteem in which its founder has ever been held. He knew every clerk by name. That was not hard at first, for he started with a handful; but he kept it up throughout his life. He was just as accessible on the last day he came down to business as on the first day he opened the front door. The city did not wait until after his death to show their appreciation; his beautiful business house stands as a grand monument and proves the substantial regard in which he was held by his fellow citizens.

—Edwin W. Moore

President, The Electric Cable Company

SELLING A MILLION OF LIFE INSURANCE

By Charles Weinfeld

General Agent, The Northwestern Mutual Life Insurance Company

HOW do you manage to get so many applications?" is a question I have frequently to answer. It would be easier, perhaps, for me to tell why I get more than the average number. I get more because I have to. My field consists of eleven counties in Northern Michigan. It is composed mostly of small towns and pine stumps. The largest city has 16,000 inhabitants. In order to write any volume of business at all, I must secure lots of applications.

I run over my territory rapidly, therefore, and have many short interviews with prospects. In a small lumbering town recently, I had two hours to spend between trains. In that time I wrote eight applications. This gave me an average of fifteen minutes to secure each application and a quarter of an hour is sometimes a very short time in which to get a man's signature to a life insurance contract.

To secure business in this way, it is obvious that I could not resort to elaborate or theoretical methods. I do not keep any systematic record of prospects. I can remember all that is necessary for my purpose about the live prospects and I am always glad to forget the dead ones. I travel in what might be called light marching order. I come to the point as quickly as I can with a

prospect and if he will not do business I go on to the next.

It may not be regarded as instructive to say that I go after applications and get them, but sometimes the method I use appears to be as limited as that. After I introduce myself to a man and get on terms with him—tell him a funny story, perhaps—it not infrequently happens that I pull out an application pad and inquire, "What's your wife's front name?" He tells me, usually, and answers all the other questions in the most docile manner. If I write policies for the officers of a manufacturing plant I can get many of the employees by simply exhibiting the officers' applications and asking the employees, "How much do you want?"

THOUGH *his methods are apparently rough and ready, Weinfeld says he unconsciously follows a system—and sells over a million a year of insurance.*

I suppose that in my individual way I follow what practically amounts to a system of securing business. It is a system, however, of which I retain but little consciousness. I aim to get an application at the first interview and I get about three-fourths of my business on first calls. I never ask a man if I can write his application. I simply get out my blank and do it. I ask the questions and he answers.

So far as I indulge in theories, I incline to the idea that a man may be closed at the first interview if the solicitor is prepared to answer arguments and meet practical objections. If the prospect lacks ready money, I remove this difficulty by taking his note for the premium. If he has been putting off solicitors with some shopworn or stock idea I can usually demolish it with some first-class argument or illustration.

Here, for example, is an illustration which I often adapt to the landing of a wealthy and successful business man who has almost no insurance, but has all that he wants. I did not invent it, but I do not hesitate to use it whenever it happens to fit. When I call upon Mr. Titus Hastings, for instance, and he glances at my card, he is likely to say:

"Glad to know you, Mr. Weinfeld, but I have all the insurance I want."

"Thank you, Mr. Hastings," I reply, "but may I ask how much insurance you carry?"

"Ten thousand dollars."

"May I ask if the impression that you are worth something like \$150,000 is correct?"

"That's a personal matter, Mr. Weinfeld, but I don't mind saying that the figures are not far out of the way."

"Thank you, again. Now, may I make you a proposition?"

"If it is not too long."

"I will give you \$10,000 for your brains, energy and experience. In other words, for all that goes to make up your ability, I will give you a check, draft, gold or greenbacks. I will call the best attorney in town to draw the agreement, but from the moment you accept, every dollar you create belongs to me. What is your answer?"

"Do you take me for a fool?" Mr. Hastings probably exclaims.

"Not at all," I reply.

"Why, I could earn \$10,000 in six months if I didn't have a cent of capital," Mr. Hastings declares. "Ten thousand dollars to become your man for the rest of my life! Not much, Mr. Weinfeld."

"It isn't much, Mr. Hastings, but \$10,000 is precisely

the amount for which you have agreed to sell out upon demand of the gray-bearded old fellow with the scythe. The amount of life insurance you carry is the selling price you put upon yourself. Your label reads in plain figures, \$10,000. If you are worth more, why don't you raise the price?"

Reflecting on this viewpoint, Mr. Hastings is likely to conclude that he has appreciated in value and that he had better cover the increase with some more insurance.

PICKING out the argument which exactly fits the situation pulls business, says Weinfeld, who saved this \$20,000 Williams policy with a sound argument.

It is surprising sometimes to find to what an extent success in writing life insurance depends upon finding the right kind of an argument and applying it in the right way. Good arguments will even retrieve slips and positive errors. I once called upon a prospect and landed him for \$20,000. As I was leaving his place of business, I ran across an acquaintance who inquired if there was anything doing. I carelessly replied that I had just soaked Williams, the creamery man, for a "double X." I went home, and two or three weeks slipped away, but the creamery man's medical report failed to arrive. Then I ran over to his town again to see what was the matter. Our examiner explained.

"When you told Hardesty that you had soaked Williams his wife overheard you. She told her husband about your soaking him and the deal was off."

I thought I saw a way of straightening up the matter and called on the creamery man right away. I opened up frankly: "I came very near soaking you, but you wouldn't stand for it." He grinned in answer.

Having broken the ice, I proceeded: "I have just

one statement to make. If you agree with me, I expect your business. If you don't, I will let you alone. Suppose that I have bought 1,000 pounds of butter of you, and have just left your place of business. Your neighbor comes in and asks, 'Who was that man?' You reply, 'That was Weinfeld. I just soaked him for 1,000 pounds of butter.' Now, then, did you cheat me?"

He studied the thing for a moment and then replied: "You're right. I will go right up with you to the doctor for the examination." This was a case where the man might have remained hostile for an indefinite period. He thought he really had a grievance, but a very simple illustration set him right.

An argument which is hinted at rather than specifically stated is often highly effective. I called on a man who thought that \$10,000 would be a large amount of insurance, but who looked good to me for at least \$25,000. He told me that he had decided to give his insurance to another company and I asked him why. "Because," he replied, "it is the strongest company."

"Will you do me a favor?" I asked. He assured me that he would if he could. "Please don't mention the reason for your decision," I said, "to your neighbors, Hepburn, the banker, and Castlon, the lumberman. Both of them carry \$50,000 policies in my company and both think it is the strongest and best company in the world." Just that simple way of putting it swept away his notion that some other company was the strongest and he took \$25,000 with me.

Sometimes a mere suggestion will work in a subtle way and modify an applicant's decision when the agent is not present. I once wrote a man for a \$25,000 term policy. I did it with an inner protest, as the man had plenty of money. However, I did not oppose him, but

when I delivered the policy I threw out one suggestion: "This is the first time I ever knew you to do anything cheap." A few days afterward he sent for me and told me that he had decided that a term policy did not fit his needs and that he wanted to change it.

The solicitor who writes many small applications and travels rapidly over the field, as I do, will not always be able to "frame up" an interview in advance. Frequently he will be compelled to spar for an opening and leads on which to base his arguments. Whenever a case may be studied in advance, however, it will always pay the solicitor to do so.

LIFE insurance prospects are influenced by all sorts of individual desires, whims and fancies—Weinfeld shows how to avoid some of these obstacles.

Life insurance prospects get all sorts of curious notions in their heads and it takes considerable tact to get around them. There is the man, for example, who wants to take life insurance, but does not want to deal with an agent. As a matter of fact, most of the best companies will not accept applications except through agents. Such a man once wrote to my company. The home office sent me the correspondence. I called at his town and found that he was from the east, having come to Wisconsin to take charge of a new factory.

The local banker was a friend of mine and I asked him to introduce me to the stranger and escape as quickly as possible. I particularly requested that he make no mention of my business. After the banker had retired I asked a question: "You're not long in the town, Mr. Folk; where did you blow in from?"

"Boston," he replied.

"Homesick?"

"It's nearly killing me."

"I thought so," I replied. "That's why I came over to write you some life insurance."

He stared, frowned, laughed, and he signed the application just as soon as I could make it out.

Some one has said that when an American is not trying to make a dollar he is trying to make a joke. I appeal to the American's supposed love of a joke and I find that the effort to be entertaining wins me lots of applications. When one prospect demanded: "What do I want insurance for? The money will do me no good when I am dead," I replied: "My company has taken care of that. Give me your application for \$5,000 and at your death we'll make out two drafts of \$2,500 each and send one draft to each place. 'In your case'—I knew my man—"I'll advise the company where to send the entire amount. You'll probably be shoveling sulphur when it's handed to you." When a man has any sense of humor he laughs at quips like this; and the man who laughs is like the man who hesitates: he is won or lost, according to the point of view.

Not long ago I closed a piece of business for \$10,000. Two weeks passed, and the applicant had failed to go to the examiner. I then wrote the applicant as follows:

"I herewith return your application, as I have no moth balls to put with it. As I derived valuable experience in writing your application, I thank you for permitting me to write it."

In the course of three or four days the medical examination blank arrived, accompanied by a check for the premium. The moth-ball joke had produced results.

I am frequently asked to give my opinion as to the value of notes of introduction to prospects. Introductions are both good and bad. It depends upon the re-

lation which exists between the introducer and the other man. If the introducer is simply a good friend of the man you want to meet the chances are that his letter will merely embarrass the latter. He will be anxious not to offend the solicitor because of the friend's introduction, but if he is not really disposed toward insurance at the time he will simply be put to the inconvenience of getting rid of the solicitor gracefully. The total effect of this kind of an experience is not favorable to the solicitor.

On the other hand, there are a few rare men who have influence with their friends, who act as advisers to them and lead them by their example. When a man takes a policy with me and then remarks, "By the way, my friend Murphy thinks a good deal of my advice and usually follows my suggestion. He needs a little more insurance," I usually ask for a letter of introduction to Murphy. Under the right circumstances letters of introduction are worth while, but such a large per cent of them are based upon slight relationship that I seldom take the risk of presenting them.



THE men who know how are the supreme masters of the business world—the Caesars and Napoleons of commerce. A third-class man with a first-class "know how" to guide him will get further than a man with an intellect which is mighty but untrained.

There is a one best way to do anything. In every business activity, from putting a cork into a bottle to creating a world market for a new machine, there is always an "inside" way to achieve results.

—W. C. Holman

VI

CLINCHING FIRE INSURANCE BUSINESS

By Carroll D. Murphy

WHENEVER a fire insurance agent strolls down the main street of his town to note progress on an attractive risk, he meets from one to five competitors returning from their survey. The construction of a business block or public building means a scramble, and the solicitor who would win must draw away from the field. His wit and experience must serve to distinguish him from the crowd.

Last year a four-story business block went up in a Kentucky city of twelve thousand. Before the plans were finished, insurance men were on the trail, each in the attempt to give his offer some aspect of advantage that would win a commitment.

One prominent agent, however, made no apparent effort to land the policy. For fifteen years he had sold insurance with a sagacity that made his competitors sit light. And again, he succeeded.

"How did you land that risk?" inquired a friend of this solicitor, when the campaign was over. "You certainly did not work for it."

"No, I didn't work my legs," acknowledged the agent. "I sat in my office and figured out a strangle hold."

"When I returned from my vacation, five solicitors had already applied for that risk. And I had no

standing with the owner, beyond mutual business respect.

“‘Mr. Harris,’ I said when I met the owner, ‘there are twelve fire insurance agencies in this city. Every one of them will be on your track daily for the next three months—except mine. On Tuesday of the exact week when you ought to insure, you’ll know what the rest have; if I offer something better, take it.’

“Then I went back to the office and on a red card noted that risk for follow-up when the roof began to go on.

MACDOWELL, the state agent, hurt himself; this local agent inquired about his recovery; later he found a way to let MacDowell help write the policy.

“Once when MacDowell, state agent for one of my best companies, was here, he slipped and hurt himself slightly as we were examining ‘a risk. I remember that my wife thought me over-polite to write and inquire after his condition a few days later. But every one of my general agents is my friend; I take pains to have him so. And when I wrote Mac. to hasten his expected visit to Sept. 7, he was here on the day. We went out to the Harris Block together and found the owner there.

“‘Mr. Harris,’ I said, after the introduction, ‘By the end of this week your block here will have the doors and windows in. It ought to be insured. But the official rate will probably not be fixed for several weeks.

“‘Until the representative of the inspection bureau has examined the completed property, no one can more than estimate the rate. But Mr. MacDowell here is expert in doing that. He will look the building over now, while every point of construction is evident, and

after consultation with higher officials, will name to you an accurate rate in a faultless company. That means that you and I may make this building safe and never think of insurance on it again for a year.

“But the special reason why MacDowell came here today, is that he might see the workmanship you are getting and advise you on your electric wiring, water mains, elevator cutoffs and the like. While it is still easy for you to make alterations, he wishes to show you how you can lower your own premium rate. He will see that by next Saturday you are insured in case of loss, but he prefers to make you safe today against the likelihood of fire.”

“When the inspector came later he found no costly alterations to suggest and complimented the owner on the fire rate possible for his building. With three hours’ labor I have the insurance on both building and stock, and expect to renew next September.”

One morning the people of an eastern city awoke to learn that a newly finished school building had burned in the night. The loss was \$27,000.

The insurance was in over twenty different companies, and each policy was a blanket covering loss pro rata on different ward buildings. Moreover, the policies were for odd amounts, covering the contents of each building up to a certain figure as well as the school houses themselves.

The loss, which figured twelve and one-half per cent. of the total blanket insurance, was shortly paid. While the other agents were studying up blanket insurance puzzles, however, one solicitor looked ahead.

The school officials put forth extraordinary efforts and in a few months had the building reconstructed. The complex figures of re-insurance began to dawn upon

various agents. And instantly the far-sighted solicitor came forward with the solution of the problem, which he had long since secured from the general office of his company.

From the date of re-insurance, he figured the premium on \$27,000, the amount of the loss, for the unexpired term of the original blanket policies, which was twenty-nine months. On the payment of its pro rata share of this premium, he attached to each of his policies a clause reading:

"In consideration of the payment of \$———— as premium, this policy is hereby reinstated for its original amount during the unexpired term of said policy."

APPARENTLY *this progressive agent only got his share and no more—but in fact he was laying the foundation of a valuable reputation for knowledge.*

The live agent went to the board, presented his scheme, had it accepted and his policies reinstated and filed before the other agents struck his trail. They then fell into line, and used up 150 copies of his clause, one to the company, one to the agent's register and one to the policy on each of fifty separate policies.

Apparently the progressive agent had merely retained his share of the new premium. In fact, however, he had established himself as the leading underwriter in his community. By his sagacity he had gained a definite hold on the future business of the school board, officially and as individuals.

The average public official is far from expert in insurance matters. Anything which simplifies his insurance problem, therefore, gives the agent of solid companies favorable standing.

An agent who had recently entered a new field tried

vainly for some time to get a fair share of the fire insurance on his county jail, court house and infirmary. He observed that the various policies were stacked away in disorder, with no check on expiration dates, except to "run the pack" or trust to agent's follow-ups. This ingenious agent went to the county commissioners.

"Suppose," he suggested, "I take your policies and schedule them in order of expiration. Such a list would help me to keep my share of insurance up-to-date, and would also assist you in your dates."

The commissioners gladly agreed. A day later the agent sent in a typewritten list of the county risks, companies represented, amounts, agents, and, in order, the dates of expiration. At once he gained a definite prestige among the officials.

The carbon of the list remained in the agent's desk, however, and was even copied to his follow-up cards. With this outline of the county's entire insurance problem before him, he is constantly planning some move to gain more business.

Several of the names are known to be weak. Without mentioning them, he sometimes suggests to the board that an insurance company demands the thorough investigation a heavy depositor gives his bank.

The insurance originally carried was too scant to cover the property, and the agent took up this point with the board, reminding them of their responsibility. Finally, by the bare list, the agent's own share of the total insurance appeared unfairly low; and in view of his solid companies and the value of his service, it has several times been increased.

An insurance man tried in vain to get a share of the business of a Milwaukee printing house. The owner had placed the insurance with three or four old friends

when he bought the business ten years before and they naturally held it, an additional thousand being taken out from time to time as new equipment was added.

One day the agent who was trying to get a part of the insurance went through the plant with the superintendent during the noon hour. He went back to the office and waited for the manager to return from lunch.

"I'll bet you anything from a cigar to an automobile," was the agent's greeting, "that your fire insurance doesn't protect you."

PROSPECTS *may jump on you like this, but if there is method back of your purposely aggravating approach, you are ready to turn wrath into profits.*

As he expected, the challenge not only caught the manager's attention, but sent him "up in the air" with a volley of sizzling talk about the companies he was in being as strong and reliable as any in the world. The agent calmly waited until the old gentleman talked himself out and then repeated his assertion that the property was not covered by the insurance. Finally the manager went to the safe and took out the policies to show the flip young agent. The latter read them over carefully.

"Just as I thought," was his comment as he spread out a policy on the desk before the manager. "When you bought the business several years ago you prepared and printed a schedule of material to be insured, and whenever a policy has been renewed, this same old schedule has been attached."

"But there is a blanket clause," broke in the manager, "covering all the property not specifically mentioned."

"Blanket fiddlesticks! The blanket clause covers

type, cuts, leads, slugs, cases, racks and other stuff that could be enumerated. Every machine is mentioned by name and size. These policies insure a couple of old cylinder presses that you traded out years ago when you put in the new presses. Since then you have added one or two linotypes, a monotype, a Universal and a couple of Gordon jobbers, a folding machine and I don't know what else. If you should have a fire to-night you couldn't collect forty cents on these machines, for they are not covered by your policies."

The manager was dumbfounded. He read one of the policies from beginning to end and asked question after question about points that he had never thought of before.

"I don't understand it," he finally expostulated, "I've known the men who wrote this insurance for thirty years and——"

"That's it. I know them, too. They are nice old gentlemen, but they are practically retired from business. About all they do is to rewrite policies for friends like yourself whom they have known for years. They write whatever you give them and that's the end of it. You are hustling your own business"—as a matter of fact it was the two sons who were doing the hustling—"and aren't supposed to keep tab on all these things. The insurance agent ought to do that for you and you ought to place part of your business with some young fellow who is right on the job and will see that your interests are fully protected."

The manager was conservative, and in some ways an old fogey, but he never let prejudices or friendship excuse clumsy business, so he said, "Young man, if you'll help me fix up a schedule that's right, I'll promise that as fast as these policies expire I'll have

them renewed at half the present amount and give you the other half, so that eventually you will get half of my business. Is that satisfactory?"

It was.

Last summer there was a fire in a Chicago office building caused by an explosion in a room occupied by a moving picture supply firm. Hardly had the loss been adjusted when a large building in one of the eastern cities was completely destroyed, the fire having a similar origin. Immediately the Board of Underwriters took action and the rates were raised on all buildings in which film supply houses did business.

DICKINSON got ahead of his fire rivals and made a valuable friend when he went out of his way to use this profitable method for winning over insurance.

In a certain Chicago block, a film exchange occupied half a block and the first the manager of the building knew about the action of the board of underwriters was when Dickinson, one of the agents who carried part of the insurance, called up to say that the rate had been jumped from twenty-eight cents to sixty cents. He added that he would be over to see if something could not be done about it. The manager was worked up over the thought of having his insurance more than doubled. Dickinson promised nothing, but expressed his readiness to do everything he could to get matters arranged in some way.

Together he and the manager went through the film exchange room and later Dickinson brought over one of the men from the board of underwriters. A careful study of the situation was made and the upshot was that entirely new methods of storing the films (which are made of celluloid) were introduced. Instead of pack-

ing them away in a pasteboard box, each film was encased in a tin tube and this in turn was placed in a small sheet iron box. In the vault where the films were stored, the wooden shelving gave way to metal shelves and a cement floor was put in. Then certain changes in the electric wiring were suggested and made.

All this took three months or more, but not a week passed that Dickinson did not drop in to see how the work was progressing. The policies of the building expired in October and the sixty-cent rate was still in force, but the changes had met with the approval of the inspector and secured the promise of a new rate within a few weeks. Five men carried the insurance on the building, and just before the old policies expired three of them mailed in the renewal blanks at the higher rate without a word of comment or explanation. The fourth man brought his in, remarking as he slapped it down on the manager's desk, "They're sticking you a high rate on account of that film concern fire."

Every one of the men had known of the new rate four months before, but not one (except Dickinson) had even informed the manager, to say nothing of making any move to have it lowered. Dickinson had never let the matter drop and, thanks to his efforts, the rate was eventually restored to twenty-eight cents. He got the bulk of the insurance on that building.



To reduce complaints is to give up an adequate percentage of your profits to satisfy people. And unselfishness is not merely an affair of money. The salesmen of a house must sacrifice their own comfort, their own leisure. They must sacrifice the tendency to let mere system run a business.

—Clarence M. Woolley

President, American Radiator Company

VII

WHEN DEALERS COOPERATE FOR TRADE

By W. S. Zimmerman

TO attract buyers to their city during a holiday celebration, members of a western commercial club combined to refund railroad fares to out-of-town visitors and the plan proved highly successful. People who had not been attracted by the individual offers of merchants to repay railroad fares, made a trip to the city and spent their money when the total amount expended, not merely sums spent in one store, was considered in the refund.

Every merchant subscribing to the plan is provided with a quantity of slips, each of which carries a number which identifies the merchant in a way known only to the merchant and the secretary of the club. This prevents one merchant from getting an idea of the number of tickets issued or the cash sales of his competitors.

The left-hand section of the card is divided into ten vertical columns, each of which is subdivided into ten units of five cents each, making five dollars in all. Space is provided for the customer's name and address, thus furnishing material for a live mailing list when the slips have been redeemed and returned to the merchant who issued them.

When a customer asks for a cash fare refund, he

shows his duplicate sales slip and the merchant cuts one of the refund slips in such a way that the amount of the purchase is represented by the figures remaining on the chart. The stubs are retained by the merchant and are used to check up the tickets returned by the committee.

BECAUSE rebates follow a sliding scale, refunding to customers by this tested system encourages them to buy to the free fare limit before leaving town.

After having made all their purchases, the buyers take their tickets to the club secretary. He figures the total of individual purchases, and, by consulting a table printed on the back of the refund slips, can determine whether or not the applicant is entitled to a railway

4 65	4 05	3 55	3 05	2 55	2 05	1 55	1 05	55	5	<div style="text-align: right;">61</div> <div style="text-align: center;"> COMMERCIAL CLUB CASH SALE REFUND </div> NAME _____ ADDRESS _____ <small>RETURN THIS SLIP WITH OTHERS TO THE SECRETARY'S OFFICE 102 MAIN STREET AND GET THE PRICE OF YOUR RESERVED TICKET</small>
4 60	4 10	3 60	3 10	2 60	2 10	1 60	1 10	60	10	
4 55	4 15	3 65	3 15	2 65	2 15	1 65	1 15	65	15	
4 70	4 20	3 70	3 20	2 70	2 20	1 70	1 20	70	20	
4 75	4 25	3 75	3 25	2 75	2 25	1 75	1 25	75	25	
4 80	4 30	3 80	3 30	2 80	2 30	1 80	1 30	80	30	
4 85	4 35	3 85	3 35	2 85	2 35	1 85	1 35	85	35	
4 90	4 40	3 90	3 40	2 90	2 40	1 90	1 40	90	40	
4 95	4 45	3 95	3 45	2 95	2 45	1 95	1 45	95	45	
5 00	4 50	4 00	3 50	3 00	2 50	2 00	1 50	1 00	50	

FORM I: When dealers hold a sale together, a refund slip like that here shown is given with each purchase to designate the amount of money spent. The customer turns them in and receives a railroad ticket or cash refund of a value proportionate to the total amount of her purchase

or interurban ticket. If the total does not equal the sum entitling him to a ticket, the applicant is given a refund proportionate to the sum of money spent. This return, however, is far below the refund made to the person entitled to a ticket as, by this means, the buyer

is often induced to increase his purchases. Anything over the amount required for a ticket is retained by the club.

There is no fixed relation between distance traveled and refund received. The committee in charge bases its allowances on local conditions and makes higher refunds from some points than from others. Where the plan was first tried, it was found advisable to allow a greater ratio between sales and refunds to people coming from distant points than to buyers living comparatively close in.

At the close of the celebration the secretary or club committee totals the cash sales represented by all the refund slips redeemed for visitors. To the sum spent for printing, advertising and administration, is added the amount of money refunded to buyers. This expense total is divided by total cash sales and the resulting quotient is the constant factor used in estimating each merchant's share of the cost. The sales total of each member, as represented by his refund slips, is then figured and this total is multiplied by the constant factor. For example:

Total cash sales.....	\$12,000
Railroad fares	\$114.52
All other expense	17.80

\$132.32

Factor of cost= $132.32 \div 12,000 = .011$

Total of refund slips (Merchant No. 61)
\$438.35.

Amount paid by merchant No. 61= $438.35 \times$
.011=\$4.82.

Each subscriber's share of the expense is based on a fixed ratio to the amount of slips issued for cash busi-

ness done. All the stores are on an equality.

In former years, merchants refunded railroad fares only to people buying big bills of goods. This plan, however, was never highly successful because visitors did not care to spend large amounts at any one store. Most of them preferred to shop. When the plan of combining to pay fares was first broached, merchants refused to accept the proposal on the ground that sales slip duplicates, cash register receipts and similar methods of counting sales would give the auditing committee a line on the business of competing merchants. Punched tickets or any other single slip system for apportioning sums paid out for railroad fares was, on the other hand, condemned by the smaller merchants who would have had to subscribe an undue proportion of the amount paid out.

The system outlined here, however, obviates these difficulties. Each merchant is identified by a number known only to the secretary. Therefore, the refund slips may be handled by any one. When the bills are figured, the secretary translates the numbers into names, and mails each merchant a bill for his share of the expense in the envelope which encloses his redeemed cash fare slips.



A REPUTATION for handling a certain grade of merchandise of a reasonable character takes years to build. Yet it may be torn to pieces by using this reputation, for a single season, to dispose of a bargain stock of cheap goods or suits, which may have been picked up at a small cost.

—Philip A. Connor

Secretary and Treasurer, State of Chicago

PART II—MARKETING GOODS BY MAIL

“We Are Responsible”

THE inevitable result of social and political changes will be the transfer of power to the business men of the world because we are responsible—the most responsible men in the world. We are successful in just the degree that we are responsible. We are unsuccessful and constantly ejected from the business world by the bankruptcy courts or otherwise, if we are irresponsible.

So it will come to be seen that we are the natural leaders. It will be found that all the principal things that our businesses need, the masses of our employees need also; good housing, good transportation, good recreation facilities, good education that really fits men for their life's work and for their living; well-governed cities, justice and security for property.

These are the things our employees will use their new, greater power to get; and to get them, they will use us as leaders, as soon as they recognize that our enlightened self-interest wants these things too.

A handwritten signature in black ink, reading "Edward A. Filene". The signature is written in a cursive, flowing style with a large initial "E".



EDWARD A. FILENE

President, William Filene's Sons Company

Vice President, International Chambers of Commerce



VIII

RETAILING VIA PARCEL POST

By W. S. Zimmerman

PARCEL post service supplies a new link in the chain which binds the consumer to the retail store. The last important link was forged a dozen years ago when the telephone captured city and suburban residence districts and brought the farmer within speaking distance of the stores in his market town. It made ordering easy, lightened the work of the buyer, put him in quick touch with his source of supplies. In the cities and towns its influence on trade was felt immediately, but in the country the problem of getting the goods to the buyer remained as a barrier to telephone sales.

After a decade of waiting, however, the parcel post arrived, to put the small retailer in the large city on a service equality with the largest department store, and to give merchants in the smaller towns a definite advantage over their mail order rivals. The city shop finds at its command a delivery system as speedy and convenient, for all practical purposes, as the wagon service of the big stores.

The small-town merchant can get his goods to his country buyers more quickly and more cheaply than can any seller outside the county. In conjunction with the rural telephone lines which criss-cross the farming

districts, he has the inside track on the trade of his county.

The catalog house has made the most general use of the new service, both for the advertising value of deliveries made by it, and for the very real savings as compared with express rates.

For retail merchants in many lines, the cheap, easy and accident-proof carriage of the rural free delivery routes offers a promising opportunity to develop trade by supplying to country customers service never before possible. Shoe stores, laundries, dry goods stores, drug stores, hardware stores and other retail shops which handle goods coming within the generous size and weight limits make such deliveries by mail. Their experiments in many cases are bringing their country neighbors into line for home buying again. •

SELLING by parcel post can not be relied upon always to help your profits and sales—follow this advice for preparatory testing and investigation.

Before investing heavily in preparations for selling by parcel post, test carefully to find the effect which routine delay and breakage may have on your success. Often the uncertainty of delivery at a scheduled time in satisfactory condition, which frequently hampers a large public service, seriously disappoints retailers who attempt to use the parcel post. Test until you can estimate how great an allowance you should make in your plans for this condition.

A hardware man in an Illinois town associated the parcel post with his store during his holiday and after-Christmas advertising. Early in January a succession of sleet, snow and rain storms made travel over the country roads difficult. Six miles out of town one even-

ing a farmer broke a bucket in a pump he was trying to repair. Recalling the hardware man's advertising, he saved himself the twelve-mile drive by telephoning his want, the size of the pump, its maker's name, and a reminder to the dealer that the pump had been bought at his store. His repair part reached him by mail the next morning, and was adjusted in half an hour.

When the farmer "stopped in" the following Saturday to pay for the bucket, the incident gave the dealer an opening to suggest the advantage of trading at home. If the break had occurred in his cream separator, feed chopper, gas engine, or any one of several farm conveniences purchased from a catalog house, the repairs could hardly have been secured under two days. Contrasting this certainty of delay with the prompt supplying of the pump repair, the farmer saw the profit in buying his implements at home.

This hardware dealer regularly uses this possibility of emergency service as a convincing argument for home buying. Another of his parcel post sales was of a hay knife to a farmer several miles out who had broken his old blade, but had determined to "do without" rather than drive in to replace it. In a joking mood he called up the hardware man at his home that night and asked him if he could send a new knife by the R. F. D. carrier.

"Sure thing," the dealer answered, and in a few minutes' chat learned just what kind of a hay knife his customer wanted and the price he wanted to pay. "You ought to come in and get acquainted with my stock," the dealer urged. "When you know what I've got, you can save yourself lots of cold drives this winter." Delivery of the hay knife the following day brought in another "looker" before the end of the week. Credit

in such telephone transactions is a minor matter, because most of the customers own the farms on which they live.

From these and a few other similar experiences, the hardware man evolved a hurry-up selling plan to which he has since traced considerable business. With the two rural telephone directories before him, he checked the names of all the farmers he knew well and had each of his two clerks check their special friends. Having plenty of leisure, one or the other of them kept the store telephone busy most of the time on several stormy days, calling the men they knew and telling each the story of the telephone sale and its attractive bargains. Without creating a "run" on the store's reserves of hardware, this telephone campaign has pulled enough orders to make the store owner very glad he adopted it.

LET the R. F. D. man take the drive," is good parcel post advertising only if you have carefully worked out the other details of your mail campaign.

The third step in his parcel post campaign was to reshape his newspaper advertising. From his jobbers and various manufacturers whose specialties he had in stock, he secured electrotypes of their catalog cuts and made up full-page advertisements picturing and describing "leaders" chosen from the "slower" articles in stock. Each was plainly priced at less than regular figures.

"If you can't get in to size up these bargains before you pay good money for them," each advertisement announced, "telephone Bell 841 and you'll get them by parcel post next morning. I should certainly enjoy meeting you at 91 North Washington any hour, any day. But the R. F. D. man has to take that long, cold drive every day, anyhow. My main idea is to give you at the

lowest possible price and with least trouble to you, exactly what you need when you need it."

Sales records for the first month showed a twenty per cent increase over the corresponding month of the previous year—a record which the dealer credits entirely to his parcel post advertising. Moreover, he proposes to serve this country trade all the year 'round—from the man who needs a handful of spikes to fasten a new plank in the barn floor or a bolt for the windmill, to the woman who wants a paring knife or a new teakettle.

In a similar way, a druggist in an Indiana town is skimming the cream of the trade in his section. During his most successful parcel post sales campaign, the leading paragraph of every newspaper advertisement he used read:

"When the doctor telephones, 'continue present treatment,' don't hitch up and freeze driving to town to refill the bottle of medicine. Telephone 361, give Helvin the prescription number and Uncle Sam will have it at your door the first thing in the morning."

The good feeling which this mail order service has created is taken advantage of by the druggist, who wraps with each package a circular describing the sundries carried in stock. Publicity, secured through advertising the "posted prescriptions" scheme, has caused a marked increase in the sales of his brushes, boxed candies, soaps and toilet articles. The mailing fees are so small that profits can safely absorb the charges.

The rural housewife has been quick to seize the advantages which her grocer's advertisement urges for parcel post delivery. When she runs out of tea, coffee, sugar, starch, or spices, she no longer goes without needed articles until her next trip to town. A moment at the telephone places the order, which is delivered by

mail the next day at an extra cost too small to count against the convenience.

Clerks are instructed to call up customers on rural routes during their spare hours. At two points waste is reduced. The grocer is not robbed of possible sales while the housewife is "getting along without"; telephone selling profitably fills the dull hours.

"Blizzard tomorrow," said a middle western grocer to his partner. "Women in country houses will be fuming because they have to go without fresh vegetables and at the same time here is our green stuff going to the bad."

MAKING the weather work for you is helpful, particularly if you can induce the R. F. D. carrier and the weather man to join forces for your benefit.

Parcel post solved this man's dilemma of supply cut off from demand. People who could not make the trip to town were formerly forced to go without fresh vegetables, no matter how fat their buying purses might be. Risk of loss and percentage of waste, moreover, kept the grocer from buying except in limited quantities. Under the new system the clerks call up customers and solicit orders just as the supply on hand, the next morning's purchases, the special offerings of the market or the weather indications dictate. During bad weather, a friendly phrase addressed to the housewife as a "shut-in for the day" not only makes a ready market for lettuce, spinach, fruit and winter luxuries, but also flatters and pleases the customer. Mailing cost is almost negligible.

Another phase of parcel post usefulness to the retailer developed in the experience of an Oklahoma hardware house. A farmer, ten miles out, broke a plowshare. Not having a duplicate in stock, the dealer telegraphed

his wholesale house at Kansas City and had the share shipped that afternoon by parcel post direct to the farmer. The part made a quick trip and went out on the rural route in time to turn a half mile of furrow the following afternoon. The customary profit on such a plowshare was seventy cents. The telegram cost twenty-five cents, the postage seventy-two cents. The dealer split this expense with the customer, made twenty-one cents profit and set the country-side talking about his quick service in emergencies.

This instance suggests a field for parcel post cooperation between the jobber and retailer, and a valuable talking point for the close-at-hand wholesale house in dealing with the small store. One wholesale hardware house has brought this fact home to its field salesmen by shipping to each by parcel post a new type of shovel which it desired to push and urging them to use the shipment to demonstrate to dealers the advantage of selling special orders from the house catalog and making direct delivery by parcel post the next day.

COMBINATION offers will probably help you as much as they did this Minnesota grocer if you study his methods for making "stickers" move off the shelves.

Many merchants who have succeeded in passing the first obstacle of getting patrons interested in the parcel post are baffled by the costs of mailing. The pound rate is charged for fractions of a pound and in the local zone the cost of succeeding pounds is only a fifth of the cost of mailing the first pound. Candy for children, souvenirs, advertising booklets and novelty schemes are often used as fillers in parcels weighing less than a pound. But the big difficulty lies in the cost of mailing the first pound. This makes many deliveries too ex-

pensive, as the cost of mailing a pound of sugar, for instance, amounts, practically, to the cost of the article.

Combination offers usually solve this problem. Advertisements of a Minnesota grocer explained that mailing goods in capacity weight lots enables him to pay delivery charges in the local zone. To secure buyers in the maximum weight class, he offered a series of "parcel post bargains" composed of combination lots of goods, and gave the offers such names as "Kitchen Specials," "Household Specials," and the like. The parcels were made up of food staples or articles required in daily use, and in every case carried the attraction of extra values. He put the bargain element into his offers at first by including in the combination "stickers" which he was willing to move from his shelves at any price.

A druggist who uses the combination idea found, after brief experiment, what combinations can be mailed under the one-pound limit. He advertises a list of trade-building offers in the newspapers. Persons who want a can of tooth powder get extra values by making their order include a toothbrush and a cake of toilet soap. The shaver who runs out of soap and orders delivery by mail is induced to add a can of talcum powder and a bottle of cold cream. Tests and experiments are gradually pointing out the best sellers in the earlier combinations and are suggesting additions and changes as well as new schemes.

In the local zone, except on low-priced staples, merchants using the parcel post have generally assumed the mailing charges. Whether this practice can be continued is doubtful, unless the buyer, who is a regular and steady customer, carries the bulk of his purchases home without expense to the retailer and asks for parcel post delivery only in emergency cases. The mailing

charges can too easily become a tax on a local merchant's profits to be lightly considered. Outside the local zone, the size of the purchase has thus far determined whether the buyer or the seller shall pay the postage.

As a rule, the retail price has marked the line between store-paid and consumer-paid deliveries. For weightier goods, the price limit has generally been set at five dollars for goods delivered outside the local territory but within the first zone. For lighter stuff, especially goods bought in small quantities, the price limit for free delivery runs from one dollar up. The schedule for free delivery can be easily fixed by going over invoices. Such a list when printed is a good advertisement and guide to the buying public.

A western department store has made distance limit free deliveries by offering free delivery of any two-dollar purchase within the first zone and free delivery of any five-dollar purchase to any point within three hundred miles. Where the order is outside the free delivery zone, and where the purchase is under five dollars, the company asks that twenty-five cents be added to the price of an article to cover postage. The company agrees to return the difference between the amount remitted and the actual cost of mailing.

LAUNDRY profits were increased by this campaign—
and the successful schemes for printers and small
department stores also gave satisfactory returns.

The laundry man has also found new avenues of business expansion opened to him through the parcel post. In the past, the difficulties of getting linen to and from the country home has been a constant handicap on trade. The men had their starched shirts and collars "done up" in town, but the family washing machine had to

take care of the "flat work" on which the steam laundry could offer its best service and lowest prices.

An Ohio laundry man contrasted the disadvantages of home washing in winter and the prompt service and low prices which he could offer on family work. "Don't let your wife worry over a tub in winter," he urged in his newspaper advertisements and circular letters. "It's hard on her, hard on the clothes and wash-day dinners are hard on you. On sheets, pillow cases, table linen and towels, my prices are lower than the cost of soap and coal, to say nothing of a probable doctor's bill.

"Bring in your laundry, and I'll return it by parcel post the third day. Send it in by the R. F. D. carrier as late as Wednesday and it will be ready for you by Saturday noon. I'll pay the postage either way on bundles amounting to fifty cents."

Little argument was needed to persuade the farmers' wives that winter washing was a dangerous economy. As a consequence, the laundry's receipts increased fully twenty-five per cent. The postage paid has cut the profit on the new work materially. Pro-rating his wagon cost, however, the proprietor has discovered that his rural deliveries cost him very little more than those he makes in town.

The usefulness of the parcel post has been turned to account by a department store in a small Indiana city. Morning after morning, in the R. F. D. edition of the local paper, the advertising features some single item of the store's stock, always with an introductory query. "Lost a glove?" "Need new rubbers?" "Coffee pot sprung a leak?" or the like. Followed the suggestion: "Call Hesbanks, 261, both 'phones, and ask us to send you by parcel post," introduces the day's leader, whatever it happens to be, attractively priced.

Not every one on the country routes wanted Scotch mittens or Featheredge petticoats on the days they were featured, but before the end of the second week of the campaign, telephone sales to country customers were averaging fourteen a day. Clerks were instructed in this store to hold the attention of telephone inquirers and offer to either make purchases for them in other departments or transfer them. In the dress goods and silk department, when the usual January sales were under way, one clerk with a wide country acquaintance made forty-seven sales of dress patterns "on approval" by parcel post in two weeks; only fifteen of the patterns were returned. Her success is explained by her knowledge of her customers' tastes, complexions and figures, and her skill in choosing for each woman individually.

Even printers, whose output is denied fourth-class mail privileges, have used the parcel post to advantage. The editor of a California weekly made his advertising react to his advantage when he established a mail order column in his classified ad section. To get the department going, he offered space at a low rate for the first month. Merchants tried out parcel post ideas in the medium and some of the farmers advertised chickens, eggs, apples and other farm produce to the people of the town. The column now serves as the public market of the locality.

This "community of interest" idea was followed in another way by a group of Iowa merchants who co-operated in making up and paying for a town parcel post catalog. A druggist, a hardware man, a harness maker and half a dozen others who depended upon the rural trade made up a combination catalog describing leading lines. Booklets were mailed to out-of-town customers

and proved an incentive to buying.

Parcel post sales mean a wider extension of credit and the necessary accompaniment of an accurate accounting and collection system. The important ruling of the Post Office department that an invoice can be inclosed with the goods allows the sending of a sales slip with each parcel.

This gives, at the end of the month, the best possible excuse for a monthly detailed statement of the customer's account to check against the sales slips. The billhead can carry a line stating the account is due on or before a certain day of the month. Slow-pays can be brought to book by explaining that the postage on parcels makes it necessary that accounts be settled, say, before the tenth of the succeeding month.

Credits on telephone orders in the smaller cities and in the average country town can be determined without much difficulty. The customer's reputation and financial responsibility are usually an open book to the interested inquirer.



THE friendships of a country town salesman have an important bearing upon the selling efficiency of the man or woman behind the counter. His efficiency is often increased in the ratio by the number of friends which he possesses and the tact which he uses in making more.

—W. G. Chamberlain

Vice-President, Skinner, Chamberlain & Company

IX

SHOWING SAMPLES BY MAIL

By C. E. Cake

THERE are fifty dealers we find it impossible to sell because of their remote locations," said a manufacturer of brass goods to his sales manager. "Our travelers don't get to them often enough; other houses, located nearer, step in and get the business. But we can sell them, or the greater part of them. I have decided to make up samples of faucets, joints and other goods, and send them to these dealers every thirty days. The samples are to be about one-fourth the regular size and can be sent by mail."

Within thirty days after the first hundred samples were sent, the brass manufacturer had received orders from ten of the dealers; in sixty days, fifteen more; and at the end of ninety days, after three different kinds of brass faucets and joints had been mailed, there were orders from ten others: thirty-five altogether—and only one letter had accompanied each sample throughout the mailing.

A clothier in the central west had a larger trade on collars than on ties, although his stock of ties was much greater than his stock of collars. He had a fine assortment of ties, attractively displayed and continuously pushed by the salesman—the sales total should have doubled that for collars. He resolved to make it that

large, at least, and the first idea he hit upon was to send samples to a select list of names.

He ordered an extra lot of ties for the summer season; the majority were smart four-in-hands. Manila envelopes, twelve inches long by two inches wide, each containing a tie neatly folded, were sent to five hundred persons. The assortment was as varied as possible. A few bow ties were also mailed in packages to fit.

These ties cost on an average of thirty-seven cents each; they were extra good fifty-cent values. The envelope and postage cost six cents, making the total expense forty-three cents for each sample or \$215 for the entire lot. This apparently was a big price to pay for the advertising, but the total of sales of ties for the three months following this generous sampling was more than three times the figures for the preceding three months. In fact, this merchant was so well pleased that he has decided to send sample ties by mail at the beginning of each spring season.

If a manufacturer could sell faucets by mailed samples, a retailer neckties and this man talcum powder, it is worth your while to study their methods.

A manufacturer of talcum powder, though there was no dead stock on hand, decided to send samples of his powder to consumers, for the direct benefit of his dealers. First, he experimented. He got an average of twenty names from each of one hundred dealers. Then he ordered a thousand sample boxes, replicas in miniature of the regular size. These he enclosed in corrugated paper boxes. The postage cost two cents each. The cost of the sample boxes averaged about four cents each and the paper cases cost three cents each—total, nine cents, or—including additional expenses—about \$110 in

all. The immediate growth in business from the hundred dealers averaged twenty-five per cent, and continued from a tenfold increase in the amount of samples.

Varied uses for cement are shown by an ingenious sample distributed first at a recent annual exhibition of the manufacturers of the product, and later mailed to contractors and builders. A level, three inches long by an inch wide and one-half inch deep, made of the cement, is enclosed in a thin paper box. The company's name is neatly imprinted on the top side.

One thousand of these cement samples were mailed, and they brought more than a hundred inquiries from users throughout the country.

Later, models of cement blocks used in house and store construction, four inches long, two wide and one deep, were mailed to the trade. The cost of mailing by parcel post was not high, and the novelty of receiving a cement brick by mail—which could be used as a paper-weight—attracted favorable attention and many live inquiries.

A manufacturer of Key West cigars, who found it necessary to stimulate his trade, made a small cigar, two and a half inches long by a half inch thick, from the best tobacco, placed the usual band about it, wrapped it in tin foil, packed it for rough handling in a box to fit, and then mailed one each to a thousand wealthy men. A clever enclosure called attention to the quality and offered a special price on a size and shape "to order." The cost was \$75; immediate returns, over \$300. Repeat orders at the end of ninety days led this manufacturer to give his little smokes wider distribution.

A coffee dealer secured similar results. The demand for his brand was not as strong as he desired. The brand, a special one for use in French-drip coffee pots,

was pulverized. His trade fell principally among the wealthy. He ordered several thousand sample packages, each containing enough to make three cups, and mailed them direct to the trade, giving grocers a pound free for sending him, on a convenient return post card, the names of ten wealthy consumers. Sales gradually grew to a volume which satisfied him.

A land operator decided that the investor must be convinced of one thing: the quality of the soil. So he ordered corrugated paper boxes, two inches square, and mailed samples of the soil of the land he was offering to two thousand prospects, with a letter calling attention to government analysis. Inquiries poured in and he sold a thousand acres to customers who gave his land close thought on account of his unique sample. The expense was approximately \$200.

*L*UMBER you would hardly think could be sold by mailed samples, but actual experience proved the sample-by-mail plan successful.

Lumber is another product that has entered the growing list of "unusual samples." A hardwood flooring manufacturer cut some of his product into pieces three inches long; some finished, some unfinished. On one side he pasted the brand, the price, and the name of the prospective purchaser.

A soft wood dealer did the same thing, specializing in gum wood, which he wished to bring to the attention of contractors as a new wood for interior finishing.

An office equipment dealer experienced considerable trouble with two brands of carbon paper he stocked. The complaints practically killed that branch of his

business. He discarded the brands, took on new ones, and wrote sales letters in duplicate, to a selected list, leaving a sheet of the new carbon between the original and copy. The letter called attention to the class of work the carbon would do, as shown by the duplicate copy. This unusual sample helped to rejuvenate his carbon paper business.

Manufacturers of other lines also believe in striking samples as a means for placing the merits of their product graphically before the consumer. Tooth paste in small tubes; varnish in tiny cans; enamel on bits of wood; roofing material made up as it appears in actual construction; knitting yarns sampled on cloth to show effects; candies; brick, and enameled and other styles, prove the advertising value of unusual samples. The sample itself is rarely enough to secure the order, but it gets attention for the sales-letter.

A sample which requires extensive explanatory printed matter is not a good sample. The sample itself should compel interest and arouse desire. The selling letter can then focus on closing the sale.



SELLING by mail requires a peculiar line of talent. An order can be obtained only by winning the purchaser's confidence. Seldom is he in position to compare prices with those of others, and he has only your word for the merit of the goods. You must convince him that he can trust you, that the goods are what he needs and as you represent, and, most of all, as you are dealing with some one you have never seen or who has never seen you, of the necessity of paying for the goods in advance.

—W. A. Waterbury
Sales Manager, A. B. Dick Company

X

KEEPING RETAIL TRADE AT HOME

By W. C. Holman

Former Advertising Manager and Director, National Cash Register Company

ANDREW JACKSON was once holding a court in Tennessee. A noted gun man, the terror of the region, entered the court room and created a disturbance.

"Eject that man," ordered Jackson.

The terrified bailiff dared not move.

"Call a posse and eject him," said Jackson.

Still the bailiff made no move.

The court room was silent—court officers, witnesses, and spectators were all paralyzed with fear, except Jackson himself.

"This court is adjourned for five minutes," said Judge Jackson. Leaving the bench, he walked straight up to the bully and looked him directly in the eye. The latter, after a tense minute of endeavor to meet the judge's gaze, weakened, shifted from one foot to the other, dropped his gun and sank into a chair. Jackson seized him by the collar, took away his gun, dragged him outside and kicked him down the steps.

The man was terrible only to those who thought him so.

In a town of five thousand, little more than an hour's ride from Chicago, there is a middle-aged hardware clerk who threw away a good business because he let fear of

catalog house competition master him. He owned a store, fairly well stocked in an old-fashioned way, and enjoying a moderate trade until the proprietor began to brood over the inroads mail order concerns were making on his sales.

The more he brooded, the greater his alarm grew and the more unreasonable became his attitude towards the customers who went away to spend their money instead of using it at home. And since he made no intelligent effort to lure back the customers driven away by his sarcastic speeches and unprogressive methods, his sales dwindled steadily. Finally, in a fit of despondency, he closed out his stock at a ruinous figure and went to work for another and a saner man.

Y*OU will admit that the hardware clerk let ungrounded
fright scare him out—these methods show how he
should have grappled with the catalog problem.*

There are too many retailers in the United States whose mental condition is like that of this ex-merchant in the earlier stages of his obsession. They see the catalog house as an overwhelming menace to the retailer—a danger all the graver, now that the parcel post may make long-distance trading for the small town and rural consumer easier than ever before. Yet most of them, if they would walk straight up to the problem that frightens them and grapple with it in the right way, would not find it terrifying.

Nor is this dread of catalog houses confined to cross-roads stores with only country trade. There are hundreds of small cities and large towns where the merchants entertain this fear, though it is based on a misconception and false suggestion which they have allowed to grow up, or on good reasons which need not

have existed had the retailers studied the situation and handled it with energy and intelligence.

To begin with, mail order houses have no striking advantages over the local retailers. Instead they have disadvantages, when all the factors are reckoned up. But they apply twenty times as much ingenuity to the overcoming of their disabilities as the retailers employ in utilizing their superior opportunities.

Stop and think this over. Analyze the conditions. Compare the advantages of the catalog house with your advantages as a local retailer—and you will never have a moment's dread of them.

Take the claims—truthful claims—that they sell so many millions of dollars' worth of goods in a year. What if they do? The retail stores of this country sell billions and billions worth of goods in the same time. New York alone buys a billion and a half dollars' worth of food each twelve months.

Take that other bogie of greater buying power. It is undoubtedly true that the larger the quantity of goods you purchase the lower the price you can command. Against this decided advantage in buying, however, you should set the tremendous selling and handling expenses the catalog houses must and do assume.

Compare these selling costs with your own selling costs. Remember that in the end the consumer pays all costs. Can you or the mail order house then offer him the better values? Should it be difficult to convince him, if you know your business, that he is not saving money when he orders merchandise by mail?

You have the practical advantage of being on the ground. You meet him every day—or can meet him when you want to. You can find out who he is without trouble; you can talk to him as one neighbor to another.

You have the advantage of personal contact with him.

When you talk with him, however, never abuse the catalog houses. Mere abuse is usually taken as an admission that you can not offer as much for the same money as the mail order house. Besides, no free American with money in his pocket and a shrewd suspicion that he is a good trader cares to hear his business judgment challenged so flatly.

Be cool, quiet and specific, therefore, in all you say. Men who will not listen to you if you indulge in sarcasm or mere assertion, will listen and be convinced by plain, clear reasoning based on facts.

S*HOW your home town customers in this way that you can more than meet the distant catalog house at every turn and they make your demonstration hold water.*

Show him that it is on only a few articles that catalog prices—for the qualities you handle—are really cheaper. Tell him why the mail order house offers these leaders at low prices and be frank enough to tell him what these leaders are, if he wishes to know. But don't let him buy the article. If necessary, offer to compete with the catalog prices—not on the few specific articles offered as leaders, but on the full order he would make up and send away. Add freight charges, since in long-distance buying the purchaser always has to pay the carrying charges.

Try to make an arrangement with your jobbers to fill just such orders with brands equal to the mail order qualities, but different from those in your regular stock. If you can make such an arrangement—wholesale houses ought, in their own interests, to jump at every such chance, ought even to organize a special service to take care of this kind of trade—go ahead and send the order

away to be filled. Have it shipped to you, in a separate box, and deliver it in this original package, collecting the freight charges, of course. In a word, show your catalog customer, plainly and conclusively, that he can get nothing from a mail order house that you cannot supply him with just as cheaply and with less risk of dissatisfaction on his part.

Buying from you he has a chance to inspect his goods. When he buys from a catalog, he buys from a printed description. And a printed description of an article is not so satisfactory, and gives nowhere near as true an idea of its merits or suitability to his needs as an inspection of the actual article itself will give. If you put proper emphasis on this point and make clear to your prospect the advantages of doing business face to face, you can easily show him that it is to his interest to buy from you.

Look at the thing strictly from your prospect's viewpoint; then show him the disadvantages of buying by mail. Frequently it means delay, with no one near to be held responsible. It means cash in advance. It means the unpacking and setting up of machines by the buyer himself. It means qualities which represent lesser values, either in materials, construction or finish, than those you handle. It means difficulty, if goods fail to come up to expectations or if there are breakdowns, in proving that fact. It means much correspondence by customers not accustomed to letter writing. It means sending out of town cash that should increase the value of the buyer's farm or city property.

Don't be content with negative work, however. Do something positive to keep the trade of your locality at home. One of the ways to stop a forest fire is to start a back fire. A live retailer in a small town can start any

number of back fires which will put the catalog houses on the defensive.

He has every advantage in such a contest. He is on the ground, the mail order houses are far distant. He meets his customers, or possible customers, in person or can do so whenever he desires. His dealings with them are dealings between neighbors and friends. He knows the condition of his prospects, the size of their families, the age and needs of each member, their financial status—facts which his mail order rivals would find it hard and costly to discover. Yet less exact information of this very character, together with the good will built up by advertising, is the most valuable asset of the catalog houses.

MAIL order houses are unable to work sales miracles; as a matter of fact, their methods are quite usual; why not adopt a few of them yourself?

Every mail order house has a card record of possible buyers. Any local retailer can get up a card record ten times as valuable as that treasured by a mail order house. It is far easier for him to know all about the people in his single community than for distant mail order houses to do so. And since specific information helps them to sell by mail, how much more helpful it can be made to the local merchant selling face to face.

For illustration, suppose two young people in your town are engaged to be married. Haven't you a better chance than any distant mail order house to know it? The young people will wish to furnish a house. You have the first chance to interest them. You know who their friends are—or can find out. Here is a list of people who will soon be buying presents. This one instance is typical of scores of selling opportunities that

will come to you if you have knowledge of your community.

As for names of prospective customers, you can secure the county assessors' lists with little trouble. You can have the telephone directories of all the rural exchanges for the asking. You can get customers to give you the names of neighbors. You can offer free some inexpensive but attractive souvenir to all who ask for it and so get their names and addresses. You can add the names of club members. Other ways will suggest themselves to you if you once start to get names.

Better than all—since your selling efforts can be concentrated on a small group, you can have your clerks make calls in every direction or go out yourself.

By keeping constantly on the lookout, you will find countless opportunities to push your trade in a personal way just when, and right where, such pushing is likely to count most. The trouble with too many retailers is that they do none of these things. They sit still and wait for trade to come to them, while their long-distance rivals exercise remarkable patience and ingenuity in perfecting their approach to both prospective and regular customers.

Consumers have in the main three reasons for buying from mail order houses. First, they think they can get lower prices for similar qualities. Second, they think they cannot get, at any price, from their local store-keepers the kind of goods they want. Third, the catalog houses go after their trade constantly, persistently, untiringly. If their first offer fails to swing your neighbors their way, they return to the attack from another angle—from half a dozen other angles, if the siege must be that long.

Every one of these handicaps you can overcome, if

you are enterprising. In fact, it is precisely because you have neglected your chances to cultivate your natural customers that mail orders have become familiar to them.

First rule of all: don't sit in a corner and blame the people if they do not flock to your counters. Do something to bring them in. No matter how small your store is, make it bright and attractive.

FIVE definite ways to arouse curiosity, make a profitable stir and stimulate your sales are here suggested by Mr. Holman, who is a business man himself.

Arrange your goods so that they will make the best possible appearance and impression. Keep your windows fleckless. Put a new coat of paint on the front of your store. Rearrange your shelves and counters with an eye to display and accessibility. Attract notice by showing evidences of enterprise. Curiosity will make people come in to see what you are about. The more curiosity you can arouse—the more talk you can stir—the better for sales.

New goods will be your first need. If you haven't cash or credit—if too much money is tied up in stock on hand—if you have let salesmen overload you with stock that will not move at the price you expect to secure—get rid of those stocks and get hold of some ready money by hoisting them out of the store at cost. If necessary, sell them below cost—for cash. They are no good to you on your shelves. The longer you keep them the less of value they have. And by cutting prices you will not only secure ready money, but you will attract buyers and will prepare them for further action.

Don't let people think you are selling out your old stock because you are discouraged. Tell them you are

clearing stock because you need room for new goods. Don't be pessimistic. Act as if a fortune had been left you. Be cheerful—joyous. Your attitude will create more talk—just what you want. You want people to know you are very much alive.

If you have sufficient capital and room, you need not slaughter prices. Put aside part of the surplus stock of stickers and depend upon working them off at reduced prices as your new business policy increases your trade. For you are going to increase your trade. You may begin small. But you are going to grow. You are going to put goods in your store that will bring people there. When you have had only a few lines of goods before, you are going to have many. Not all at first, perhaps, but in the end. From the very beginning, however, you should plan for a bigger business.

Buy small stocks of goods and buy often. It is better to buy one dollar's worth of goods and make five cents in two months, than to buy five dollars' worth to get a lower price and keep that five dollars' worth of goods two years. Look upon every dollar of capital you have as something that you must keep moving. Don't bury your money in surplus stock where it is not quickly available.

Surplus stock swells investment and shrinks sales. Turn the surplus into cash, even though you take a loss, and invest the proceeds in that quantity of another line that will serve to supply the demand until a fresh lot can be obtained. This is the one disposition of surplus stock which will help to keep profits above the point of fixed expense. This kind of merchandising has made millions for city stores. It will make money for you.

Of course, this kind of merchandising means effort. But effort is the entrance fee in any kind of business.

There are other reasons for turning your stock often. Remember that variety is a tremendous puller of customers. If you have the same old stock month after month you'll have a dwindling stream of the same old customers. But if your stock keeps changing—if every week a few new things in your store give it an atmosphere of freshness—people will begin to come in just to look around, and will generally remain to buy.

DEVELOPING desires" sounds like a mighty intangible suggestion until you find that these specific suggestions make an A B C of it—they tell how.

Women enjoy "looking." The store that makes "looking" easiest, and has the most to display, develops desires in customers who may come in just to buy a package of tea or a spool of thread—customers who had no intention of buying anything of value.

One of the greatest merchants in the world once advertised a "courtesy day" for furniture. On that day people were asked to come and look at furniture he had for sale. But as he advertised and as his clerks said, not a stick of furniture was for sale that day. No price would buy it. And the result? Thousands who came to look at furniture bought something else. The store's sales in other departments were enormous. Not more than half the crowd came to buy the things they did buy. They came "just to look" at the furniture.

Arrange your store so that your stock can be seen. You may know, and your clerks may know, what you have in the store. But possibly no customer will know. Put in a center counter if you can. Display everything you can. Have a window display outside—as big and various a display inside as you can. Show that you carry many things, even if your stock of each is small.

And post cards telling that you can get anything not visibly for sale—and will enjoy doing so.

Put plain price tags on the things you display, when you are using tags. Many a woman who will not ask a clerk about the price, and will walk out without buying, will come forward and buy if she sees plain price tags. Post cards requesting people to ask you about goods, any goods, whether you have them or not, are often worth sending out. If you haven't them in stock you can get them.

Establish a permanent bargain corner or counter or section. Consider the enormous success of the five and ten cent stores in cities of almost every size. Remember that every department store has its bargain days and bargain sales as sure as the weeks roll round. The largest retail store in the world gives over an entire floor to popular priced goods.

Feature some real bargains, bargains which no one can mistake, prominently. Put them in the show window, in the middle of your store. Force them on the attention of every one who enters. You know the sparkle that comes into a woman's eye when she sees extra good values offered at low prices. One or two genuine bargains may turn the whole trade of that woman in staples to you. Sell your "leaders" at cost, therefore—at a little less than cost, if necessary. They are so much advertising—the cheapest and absolutely the most effective kind of advertising. You put in "leaders" to cause comment, to draw people into your store, to get the tide running your way. For every penny's loss on a bargain you are likely to make a good gain on sales of staples to customers who came in to look at or buy your bargains.

Buy for the bargain counter regularly. Change the stock offered as often as you can. Get the same people

who came in for one bargain to come in regularly for more. Make frequent shifts, even if you have to put part of the articles back in the storeroom. One week have glassware in the front and the next in the rear. Strive for a "different" look in your store every week. Aim to create the impression that every time a customer comes to your store she will find something new and good on sale. If certain items of your stock fail to move briskly at the regular prices, move them out by way of the bargain section.

TWO thoughts considered of enough importance by big city merchants to be called to mind when buying in the millions and which will help you also.

Change your "leaders" often. Remember that the purpose of the bargains is to arouse interest, to remind people of their needs, to start them buying, by offering something so genuinely good that they will come back often to look over your stock. At the same time, remember that your main purpose is to sell staples.

Push your staples on the score of quality and fair prices. By selling them at a fair profit you can sell them in quantities about as large as if you pushed them on the score of price.

The atmosphere of novelty, of bargains, in your store you must get from specialties. A visit to any large city will put you in touch with concerns that make a specialty of supplying just such goods. They have hosts of "leaders" which you can use as profitably as can the mail order houses. They will be glad, if they see you are a live prospect, to keep you informed by mail of all that they can offer you. That is their business.

You can't carry a full stock of specialties of all kinds. But you can get in touch with wholesalers who supply

them. You can secure their catalogs and order weekly from them. You can get out of the specialties you want to feature, and use them in your advertising. Then, while the mail order house can make only a pointed appeal to customers in your locality, you will have a double appeal. You can use printed matter and show the actual goods themselves. You can add also the appeal of your personal influence.

In all your store dealings offer to return money to any dissatisfied customer, or exchange the goods. That offer will still further cut the footing from under your catalog competitors. You are on the ground. It is easy to come to you to exchange goods. Such a challenge will still further advertise your store.

As you grow, these things will not be enough. In all your advertising, make your personality felt. Make your townspeople feel that you in person are talking. Begin by advertising special sales, to be held on days when you know the largest number of shoppers will be free to buy—days when the most money is in evidence. Make people wish to visit your store on that day.



NO MAN can learn to be a "crack shot" unless he wastes some ammunition. The sales manager should stand the expense of the experiments made by a new man who shows ability; it will pay in the long run. If mistakes continue and positive results do not come, the man must go. But, on the other hand, if after a trial of this kind a man's ability is determined, then the time for promotion and increase of salary is at hand.

W. H. Brown
President of the National

PART III—HANDLING THE SALE

Tomorrow's Profits First

IN no phase of modern business are the advancing standards more evident than in the attitude of the house toward the customer—not alone in the personal relationship between the buyer and the seller, but in the established policies for insuring the permanency of the customer's trade.

In the retail business this is especially apparent. The long-time customer with an established patronage is an infinitely more valuable asset than a number of casual one-time customers; in fact, the standing of a store may be largely determined by the number of its regular patrons, which attests not alone the established sources of revenue, but, more particularly, the character and worth of the service which the house renders.

During my forty-five years of practical experience, ranging from office boy to head of the house, I have learned no more important truth than this; that each customer offers an opportunity for a continued profitable trade, and that any methods of establishing him or her on a permanent basis are of vital importance to the firm.





ISADORE SAKS

President, Saks and Company

XI

THE SHORTEST LINE TO SALES

By Edward Mott Woolley

CAN'T I cut the selling time on a pair of shoes?" an Eastern shoe dealer questioned. He admitted that fancies and variables may change the selling time for individual sales, but felt the major elements in a sale to be comparable with some ideal, invariable standard.

These invariable elements are the engineering units in salesmanship. For instance, the whim of a customer might necessitate twelve trips about the store for the purpose of bringing twelve pairs of shoes to that customer for inspection. This indecision and fault-finding on the part of the buyer would be the variable factor, but those twelve trips, of themselves, might be made practically non-variable, or at least, might be made to consume a great deal less time and energy.

In reality, as the merchant discovered by repeated observations, this element that should have been approximately non-variable was much more variable than the other element. In one typical instance, the sale of a pair of shoes consumed fifty-two minutes. Of this, the time spent by the clerk with the customer was twenty-four minutes, while the time he consumed in hunting for shoes and walking about the store was twenty-eight minutes. Roughly, the merchant estimated the time

really needed for getting the goods to be nine minutes. Thus, nineteen minutes were consumed unnecessarily by this clerk during a heavy rush period.

Furthermore, the investigator satisfied himself that the reduction of this unnecessary selling time would have a very appreciable effect on the mood of the customer, and thus effect an additional reduction in the total selling time required.

In the reorganization and standardization of any factory, the first thing considered is the relation between the workman and equipment. Before any tasks are set or any operations timed on instruction cards, the equipment is put in the condition and grouping that will harmonize most completely with human effort, while the whole factory organization is put in trim to serve the workers at the machines. Looking at his store in this light, the shoe dealer saw its shortcomings. He had laid great stress on service to customers, but almost no stress on the store's service to its clerks. And, since the two forms of service are intimately connected, he discovered that his service to customers was not as good as he had supposed.

YOU have watched clerks vainly hunting around for stock often enough; but have you thought of the remedy for this wasteful loss of valuable time?

But, leaving out of his present reckoning the question of service to customers, he concentrated his problem upon the other form of service. This, he saw, must be a definite, predetermined and carefully measured service that would enable his selling force to focus to the maximum of its efficiency on the selling operation itself. Instead, it had dissipated a large percentage of selling time in merely secondary operations, such as hunting for

stock, climbing ladders and descending to the stock-room in the basement. His clerks wasted motions because of meager training and a lack of system.

Equipment, then, was the first thing considered, together with methods associated with equipment. Watching his store during a busy afternoon, the lack of true efficiency seemed to him almost spectacular. It was during rush hours that the bad equipment, lost motion and utter want of standards piled up the expense and reduced his profits to a few hundred dollars a year. At the very time when efficiency ought to have been maintained at its maximum in order to get out the goods and get in the money, it fell to its minimum. Viewed from the standpoint of effective management, it was absurdly low—so low that at least forty per cent of the human energy put upon it might have been eliminated. In order to handle the rush periods at all, it was necessary to support perhaps eight persons in idleness during the duller intervals.

The shoe trade seems to offer no standard methods of shelf grouping or of keeping track of goods. No two stores follow just the same rules. In his own store, as in others, this merchant found that fixtures presented a uniform primitiveness of conception and lack of opportunity for proper classification. Clerks frequently pulled out and opened a dozen boxes, in various parts of the store, in their search for a single pair of shoes of the style or size wanted. Customers waited ten or twenty minutes to be told, regretfully, that diligent search had convinced the clerk that the particular shoes wanted were not in stock.

In solving his problems, this merchant based his inquiry on a series of time studies of the operations involved. It is likely that the man who now comes into

the store and calls for a given size of shoes will be conducted to a chair occupying the position most efficient for that particular selling operation. All the goods likely to be available for this customer's needs will be grouped within convenient reach of this particular selling chair. If necessary, more chairs will be provided in order to further this plan of grouping. In the past, the position of the customer in the store has had no standard relation to the position of the shoes he was likely to buy.

MAKING low priced work fill in service gaps by plans such as this often means crossing the line between retail failure and success.

In the meantime, a new system of replenishing stock on the shelves has been inaugurated. Formerly, when a salesman sold a pair of shoes from a box on the shelf, he turned the box around so that its label was toward the wall. The next morning these empty boxes were refilled. The delay meant numberless trips of salesmen to the basement for the purpose of hunting up stock, while the customer waited and the congestion increased. Now the boxes are filled as fast as emptied by a couple of bright boys who are thoroughly trained in stock. More actual work is now expended on this operation, but it is low-priced work which immensely facilitates the actual selling operation.

Likewise salesmen are relieved to a large extent of the task of returning shoes to their shelves after rejection by customers. A uniform system of labeling, for the goods and for the unit of space they are to occupy, is used. One of the great time consuming factors in most shoe stores lies right here. Even if the stock is fairly well classified, theoretically, this classifi-

cation does not stand out positively and conspicuously, while the goods, once removed from their places on the shelves, become unidentified stock in a large measure requiring expert labor to sort and return to the shelves. Labels and classification symbols are microscopical, where they exist at all, and are erratic and lacking in standard uniformity.

The classification and identification of stock and of articles generally are vital factors in effective management, and do as much as anything else to reduce motion and increase sales. And it is almost an axiom that classification and standardization, to be worth the effort, must be reduced to a system to make them permanent and equally available to all employees.

To illustrate: a shoe clerk stands in the store, facing the shelves on one side. He sees row after row of shoe boxes, tier upon tier, and they convey to his mind, in the aggregate, the impression he might get from gazing on a blank, brick wall. There would be nothing about the brick wall that would automatically segregate one section of its area from another, and there is nothing about those tiers of shoe boxes that indicates boldly any boundary lines, divisions, sub-divisions or units.

Now, suppose the clerk wants to take from those shelves a shoe of a given price, style and size. He first performs a series of mental processes, measuring off with his eye the approximate area where the shoes probably are; then he sub-divides the area—still a mental process—and sub-divides again. His impulses have all been more or less wavering and subject to error, and by the time he has actually located the thing he wants, he has consumed a great deal of time and energy, more time than the operation really required. Add to this the further loss of time that comes from the capricious syn-

tem of classification itself, and the mistakes of other clerks due to lack of uniformity and want of training, and the result is very low selling efficiency.

But now, just to illustrate, mark off in some way a certain section of those shelves, and at the top put the conspicuous letter A. Assume that the clerk knows that A is the classification letter for the very thing he wants. Instantly, and with only automatic mental processes, he goes to that section for the shoe he desires.

Carry the brick-wall analogy a little further. A gang of painters is sent to letter an advertisement upon it. As the men proceed, they all pause in the actual painting in order to measure out the spaces, each space requiring the combined time of the whole gang. The job takes three or four times as long as it would if the foreman had measured off the letter spaces in advance and chalked them. Then the painters would have been relieved of all preliminary thinking and adjustment of mental processes, and would have got at once into the work which they were most competent to perform.

THESE investigations demonstrated that it may often cost you eight thousand dollars a year to use ill-chosen equipment costing five thousand dollars.

So, extending his researches to the stockroom, wrapping counters, methods of keeping track of stock, and, in fact, to every part of his establishment, this shoe merchant is seeking the equipment and methods that will conserve human energy to the maximum. In the past, equipment to him meant chiefly the value of the lumber and cabinet work. Now he sees very clearly that ill-chosen or badly arranged equipment worth \$5,000 might cost him an additional eight or ten thousand dollars a year.

This matter of store equipment and the accompanying methods is directly comparable with the equipment and operating methods of a factory. For the sake of illustration again, take an analysis of manufacturing costs. A machine worth \$30,000 may demand a yearly equipment charge of \$6,000. If the machine could work 6,000 hours it would carry a charge of a dollar an hour. But the shop's hours may be 2,400 in the year, so the rate becomes \$2.50 an hour. The actual rate of the machine, however, becomes ten dollars an hour, if it is only used on an average of 600 hours in the year. And when working, it takes twenty hours' actual time for a standard job.

Therefore, the combined efficiency, all items considered, is only two per cent. Comparing the operation of this machine under actual efficiency and under standard efficiency, the total cost of a job under the former is \$227, and only \$7.80 under the latter.

Now take this shoe store; here was a great piece of selling mechanism working as inefficiently as many machine tools work. To use mechanical analogies, there had been no analysis of the pulling or feeding power and the proper speeding of this selling machine. To earn a reasonable profit, sufficient to give the business vitality and permanency, the whole equipment and human organization of the store should have been molded to facilitate the rapid movement of profitable customers in all directions.

The time a salesman loses in false motions, and through the lack of proper store equipment and service to clerks, is like the time lost by mechanics in hunting for tools and material, or in fussing with unsuitable machines or belts. And, in both instances, the wage waste is the small part of the loss. The great waste lies in the

inefficient movement of a costly machine that is piling up overhead expense.

But this philosophy is not one of shoes alone, but one that is broad enough to take in all forms of selling. This shoe store was selected as an example because it offered a rather striking and specific instance of typical waste motions due to lack of analysis of selling methods and classification of stock. The subject is full of potentialities, and the more it is studied, the more does it assume its proper proportions in the marketing of merchandise.



THE retail dealer is much exercised about meeting catalog house competition, and properly so; many of the most intelligent ones consider it a menace fraught with great danger for their future welfare. I find, however, that in many cases where there is an up-to-date merchant who is alive and wide-awake, who keeps his stock up, who keeps either the same goods that these houses advertise or similar ones to take their place, and who competes directly with the catalog houses, he has in many instances driven them entirely out of his section. It is the retailer who gives it up and says: "I will not keep such and such an article, because it is quoted by the catalog houses," and who, therefore, has not the item that the farmer or mechanic wants when he calls for it; and the man who refuses to anywhere meet the price of the catalog house—in other words, the man who does not put up a good, strong fight, who gets left and becomes discouraged.

—E. C. Simmons

Chairman of the Board, Simmons Hardware Company



XII

SERVICE THAT BRINGS CUSTOMERS BACK

By Carroll D. Murphy

HAVE you ever stood at your door and wondered what makes those 'cross-the-street customers your competitor's rather than your own? You have on the average as much buying ability as your rival. You get much the same discounts. In the main, the packages on your shelves are identical. Why, then, are the customers his—not yours?

Think it out and you will find that it is the little thing—the friendly word, the personal accommodation, the extra service, the unusual touch of efficiency, the novel attraction—that induces the people in your trade territory to stop in at or pass your store.

A telephone customer dropped into a store in the rice belt. She had read of the extra food value and better flavor of the unpolished grain and decided to try it. The man at the counter failed to recognize her and smiled at her request.

"You can't buy it, and if you could, you wouldn't put it on your table," he told her. "It's too dark." He failed to understand that she rated utility above mere appearance. Another dealer, at her request, made it a point to secure a sack of the unpolished grain direct from a rice grower. On an investment of only five dollars, plus the trouble of writing, he was able to satisfy

her curiosity, make her a steady patron, and, incidentally, stimulate a regular demand for the unpolished grain among his other customers.

This second grocer tried to please rather than to reform his trade.

"Apples are what I am looking for today," said one of his customers. "Pick out some nice red ones for the table." For answer the dealer got down by a box of Jonathans and selected a dozen of the handsomest ones. "It takes all my time to run my business the way I want it run," he explained to a friend. "But I know my store is finding and holding its trade."

It is in this field of personal service—thoughtful, though trifling, evidences of interest in the individual customer and her wants—that the smaller merchant can find the means of meeting and balancing the pull of the greater establishment or the mail order house.

LITTLE instances of service like this could easily be multiplied a thousand times over—and every one would build sales and bring customers back.

"Where can I get a kettle mended?" inquired a new resident of her market man.

"There's a tin shop a block and a half down the street," he answered. "But let me have it. I will have it mended and delivered this evening with your order."

"Thank you," said the customer, meaning it. Thereafter cut prices or bargain values could never draw her patronage from this shop. For friendly effort of this sort, however slight, is a trade builder.

The retailer who looks at things from the other side of the counter often finds the customer willing to reciprocate.

A hardware man found a customer who wished to

purchase twenty or thirty feet of plain wire. The sale would total only five or six cents. Instead of slighting the matter, however, the dealer inquired to what use the wire was to be put and selected the size which would best fill the bill. The purchase figured daily in the householder's convenience and the dealer's way of handling the transaction made a permanent and profitable patron.

Store conveniences supply another means of attracting passers-by and making them feel your interest in their welfare. And as both men and women, when they buy, seek naturally the places which they visit oftenest and where they are most at home, it follows that trade follows the flag of comfort and convenience. Recognizing this fact, the owner of a book store at an interurban corner not only established a ticket office with a bulletin of cars on time or late, but has also arranged a cozy corner with tables, magazines and easy chairs under reservations that prevent loafing by young folk whose time should be employed elsewhere.

Other book stores have found it profitable to post invitations to visitors to browse around at their leisure and find books for themselves. "Our clerks are here," one book shop of this sort announces on these cards, "simply to show you where to find what you want, or to find it, if you prefer that service—to make finding and buying easier for you—never to bother you or to urge you to buy. The books themselves are our only salesmen." As a consequence of this policy, the store has a city-wide reputation as a pleasant place to spend a spare half hour or longer, and has practically all the book lovers of the town for its customers.

Druggists have done more, perhaps, than any other class of merchants to develop store and neighborhood

service. In many cases, they have found it difficult to hold such service down to the point where its cost does not equal or exceed the value of its trade pulling power. Public telephones, seats for those who have to wait for cars, a supply of postage stamps for sale, are common features of nearly all city and small-town drug stores.

INDIANA druggists are possibly no more progressive than others, but you will find it worth your time to make note of this plan and study over it.

Once in a while, however, a real business building feature is added. An Indiana druggist captured the attention of every fountain pen user in his town by announcing that he was prepared to give expert care and make ordinary repairs on any standard fountain pen. The young woman in charge of this department, he explained, had just returned from a two weeks' course in repair work at the Chicago branches of the best pen companies and was ready to give owners of pens the benefit of her experience.

"If your pen is not working well, bring it in," he urged. "Ordinary adjustments and repairs-while-you-wait will cost you nothing. I know what a bother it is to try to get along without my own fountain pen. I'm establishing this service to cut down the time needed to send a pen back to the factory for repairs.

"Half the time—if your pen is any good at all—you'll get it back in something between five minutes and an hour. The other times you'll only lose a day of the comfort and convenience it gives you. If it is badly out of shape and has to go back to the factory, I've a few 'loaners' that will help to tide you over until your own pen returns. And any time your pen runs dry, you'll

find a filler handy at our pen counter—with a load of blue black or jet black ink always at your service.”

This druggist featured one standard make before: now he carries carefully selected stocks of four standard pens and two of the cheaper kind and sells more pens than all the other stores in town. The reason for his success is the efficiency of his service. The fountain pen girl really learned a lot about repairing on that first trip and has added to her knowledge every day since.

Efficiency in the service you offer the public, however, is absolutely essential. More than any other item, save prices, it weighs heavily in deciding prospects between your shop and the one across the way. A merchant who makes mistakes in his bills or deliveries, no matter if the errors are against him or are cheerfully adjusted, gives customers a feeling of uncertainty and distrust. “Getting things right” the first time impresses trade as does nothing else.

Salespeople in many stores—perhaps in your store—have adopted a listless, wooden attitude toward unusual requests.

“You can’t get it,” “We have nothing of the sort,” “I don’t think we have it,” are stock replies to inquiries from people who come to the counter with money in hand. And these replies are softened by no word or evidence of interest—no thought or search for the article desired. How different, on the other hand, is the attitude of the proprietor of a chain of city drug stores, who after rummaging through shelves and drawers said:

“Can you wait five minutes? I’ll send a boy over to the wholesale house and get it for you. Or I will send it out. I was certain we had it.”

This willingness to go out of your way to serve your

trade often seems to take you a long way from the beaten track of profit, but as a matter of fact it is rarely wasted. Friendly service rendered even to the transient has a way of counting in the cash till. A traveling man at a Georgia hotel decided to catch an earlier train than he had expected. He 'phoned the laundry man to rush the delivery of his linen. The laundry man explained that it would be almost impossible, but took his forwarding address and train number. Just before the train pulled out, the laundry man hustled through the car, located his man and made his delivery. The salesman in his visits to that town has never failed to talk for the man who went out of his way to give service.

SERVICE is an intangible element in retailing—a thought, an action, a little accommodation—but a very tangible one when used to build your profits.

There is a right and a wrong way for clerks to handle trade, especially during busy times. One salesman can often keep more prospects contentedly waiting than can three associates with less tact and common sense. Your public will be extraordinarily patient if you notice them and convince them that you are trying to reach them.

"First come, first served," is a rule for which the barber shop has trained men to fight, but the abuse of which often irritates customers at the retail counter. A young couple dropped into a suburban confectionery store in their home neighborhood, intending to purchase ice cream. The proprietor was telling a favorite story to a customer who had bought. The young couple waited for him to finish. In the midst of the anecdote, however, a prominent society woman stepped in. The store proprietor stopped in the middle of a sentence, disregarded the waiting customers and served the newcomer.

The couple walked out to find a shop where they could buy on a basis of equality.

A metropolitan shoe store has adopted selling tactics which often result in similar blunders of an even more exasperating kind. The store rule is that any clerk who has been assigned to a prospect, upon seeing that he cannot close the sale, shall tip off the floor manager. The latter then assigns a new salesman to the prospect. In practice, the customer is made to feel that the second clerk comes not to take up the more difficult part of fitting, but shrewdly to sandwich in a demand for an entirely new statement from the customer, apparently with the idea that he may bring more pressure to bear in the direction of a sale than could his fellow workman. The customer is almost always piqued by the necessity of beginning again with a measurement, and a statement of the style, price and so on.

In another store, however, certain clerks are chosen for their ability to handle difficult fittings, and are so introduced by the other salesman, when a prospect is turned over to them. At the same time, the salesman takes special pains to mention precisely what sort of merchandise the prospect is looking for. The latter is saved the repetition of these details.

Precedence in receiving attention, help in "digging up" some special purchase, and this tact in transferring a prospect from one clerk or department to another, are always points on which the shrewd salesman can build good will.

One little woman in a small-town dry goods store is busy even on the dulllest days because of her tact in helping ladies find just what they are looking for. She is familiar not only with the stock advertised and on display, but with all the odds and ends which some spe-

cial use or bargain figure will sell. A furniture salesman, on the other hand, made himself obnoxious by explaining, "This is the only style of kitchen table for which we have any demand whatever." He followed this reflection upon the odd taste of his customer by drawing a sarcastic comparison between a rug he was trying to sell and a set of rugs which his prospect had bought and was trying to match. Another salesman for the same house took the same customer under his guidance and sold her a furniture bill of \$215. The customer commented on the patience and willingness of the second salesman and found that he was the proprietor.

P*UT all your ability at the call of your customers, go to market for them, anticipate their slightest wish—then service will automatically help you.*

Every store needs its training school, more or less formal—and every first rank store includes such a function—where the salespeople are impressed with the fact that patience, tact and a common-sense view of the customer's wants distinguish the big and growing business man just as surely as does his pay envelope. Personal adaptability must hereafter be considered an essential of store efficiency.

The final word in retailing, however, is real customer service—to put all of your storekeeping ability at the call of the people in your trade territory. A customer had asked at a market for a certain brand of chipped beef and found that it came in larger quantities than he wished to buy. He inquired for a smaller package.

"Yes, we have the other brand at thirty-seven cents," was the reply, "but we don't urge it on our customers. Deducting the weight of the package, you get only about ten ounces, and that, as you can see for yourself, is

hardly value. In place of it I would suggest one of the bargains we are featuring for today," and the market man went on to display what he conceived to be best fitted to his customer's wishes.

Salesmen who take the road have to do "missionary work," and carve trade out of the rough. With the local retailer, however, there is an opportunity to make a sale to almost every store visitor through accommodations. You see men coming into your place—women going into your competitor's store. Their purpose is to buy. They have a want which they are eager to satisfy. Any sort of common sense and friendly treatment will win their trade. It may almost be said that only by a harsh, narrow, lazy attitude can they be driven out of their way to buy of a rival.

They want values, of course, and satisfactory qualities, whether they are buying canned tomatoes or woolen blankets or overshoes. They may make formal demand for nothing more than these. But they remain human, with the unfailing instinct for seeking pleasant places and cheerful folk. And the retailer who considers the human element makes friends as well as permanent customers.



HUMAN beings are not like merchandise, nor are they to be handled like merchandise. Dealing with the purchasing public is a problem in personality, and it is through the point of contact, wherever it may be: at the counter, through correspondence or wherever service may be rendered, that the favorable impressions are created which ultimately constitute one of the firm's greatest assets.

—Henry C. Lytton
President, The Hub

XIII

MAKING STORE FIXTURES SELL

By Marshall J. Bailey

STANDING beside his main aisle counters at the busiest hour of a spring Friday, a Boston retailer noticed a woman leaving the silk department without purchasing, but carrying a sample he felt his stock could match. He bought his spring silks personally and took pride in their variety. Fifteen minutes later he saw another customer fail to match one of the season's favorite colors in which he was well stocked.

He overtook this woman. Politely he pointed out to her the value to him of knowing exactly why she had failed to find the bolt to match. "Well, if you've got it, it's no fault of mine or the girl that we couldn't find it," she replied. "We both looked high and low. Finally, I became provoked—particularly as I know where I can get it."

The retailer felt that he could not make sales on verbal assurances of complete stocks. He went over the silk counters personally. Bolts of popular shades were scattered about. One of the desired bolts he found in a stock box; the other had fallen behind a shelf. Little accidents to rob his stock of two popular shades, but the clerks declared it impossible to avoid mislaying bolts during the rush hours.

His fixtures were at fault. They failed to guard and

show all the stock he put in their keeping. Loss of stock prestige and sales followed. He set to work devising new fixtures. When he had finished, there were neither counters nor shelves in his silk section. A line of tent-shaped racks held the bolts end on end. A paying new specialty department took over the discarded fixtures.

These tent-shaped racks, made of cherry, have edge boards, a flat top piece twelve inches wide, and strips of heavy moulding running from apex to bottom at intervals the width of a bolt. The bolts are racked between the mouldings in color ranges. At a glance the customer is shown the complete gradation of shades offered in the color she is seeking.

FIXTURES are capable of taking many details off the shoulders of your clerks—this bolt rack cut the average sales time from fifteen minutes to five.

When all the clerks are busy, customers can match samples or select patterns by inspecting the racked bolts. If they find what they desire the clerk can complete the sale by placing the selected bolt on the top piece and measuring off the desired length. A stock boy puts the bolt back into the proper color range. The fixture keeps all the stock constantly before customers. It helps to sell by dividing the task of selecting between the bolts and the customer. In a New York store, it cut the clerk's average sales time from fifteen minutes to five.

These rack fixtures for piece goods point the fact that counters and shelves are already old-fashioned for certain classes of stock. Store managers buy, copy or invent at every opportunity fixtures which help save dollars and clip minutes off the sales-time average. When these new fixtures go into a store, the second-hand

man is usually asked to call for some displaced counters.

The advanced type of cloak and suit selling equipment is largely responsible for the "street" layout which the larger department stores feature on entire floors. This equipment, the units of which are enclosed, partition-high show-cases, when fitted together, turns aisles into "streets." The space it surrounds becomes a "store" off the "street." Little signs along the "streets" announce the "stores," and cabinet show windows display samples of their stocks.

The unit fixtures for the "street" equipment are designed with four objects in view. In the first place, their natural subdivision into "stores" leads the customer to pick out the particular stock he wishes to inspect.

Concealment of all but one or two styles is the second object. When a customer enters one of the "stores," salespeople who are specialists in its stock roll back mirrored doors housing the desired size and slide out a rack which displays a limited number of styles. The customer's attention is purposely centered on these selected models. There is no unnecessary display of other articles, more costly and more attractive, perhaps, to distract her attention. If the customer is not satisfied with any of the garments on the first rack, others are pushed out in the effort to make a sale. But the merchandise manager gambles on human nature and the fixture to usually secure a sale from the first selection. Realization of his wager makes for limited stocks and quick turn-overs.

The third object is to check the natural tendency of salespeople to push the highest priced garments when allowed to show entire stock. Often over-zealous persuasion either irritates or embarrasses the customer. If it

continues, she reaches one of three possible decisions: yielding and spending more than intended; insisting on buying at the price she first had in mind; or leaving without purchasing. Whether she buys or not, there is undesirable irritation and friction which the concealing fixtures prevent by displaying only the best styles in stock at the price she has made up her mind to pay.

The fourth object has to do with the psychological effect on women of quiet and freedom from distracted attention. In the little enclosed, mirror-lined "store," the customer is out of the main-aisle rush. An expert saleswoman helps her buy. The annoyance of clerks at her elbow trying to interest other customers is avoided.

ENCLOSED *unit type fixtures sort stock to standard sizes and line prices and place before the customers quickly exactly what they desire to inspect.*

Equipment of this enclosed unit type is built also for men's clothing. The units have glass sides and do not entirely conceal the merchandise. But they are too low to actually display stock. They also segregate suits to style, size and price. Racks roll out to place before a customer the store's entire stock of the particular line for which he had asked.

Enclosed equipment of this type increased the sales of several departments in a Washington store over sixty per cent. This record led the supervisor of selling to experiment with other departments. In the underwear section he reduced waste effort to a minimum and increased the sales by making one box do the work of four. Under-vests had been shelved in the customary manner—in boxes, each containing a different size. Within a short time, through constant handling and the breaking of the frail cardboard tops, the boxes were not

only hard to manage, but gave an appearance of disorder.

Now large boxes are fitted into the remodeled shelves. They are deep enough to hold four or five sizes of each garment—the contents of a like number of the discarded boxes. By a single motion, the clerk produces the same result that formerly required four. The plan is also in use in other sections where, observation demonstrated, the demands of prospective buyers necessitated showing at each sale a variety of styles, shades or sizes.

The supervisor of selling has used the same principles throughout the store to lessen by short-cut sales methods the time required to satisfy one customer and make way for another. In the velvet section he found the stock packed in boxes and shelved back of a second floor counter. There one clerk was stationed, but fifty per cent of her time was spent in helping saleswomen at nearby counters. Since the demand for velvet was not great enough to keep her constantly occupied, prospective customers often found the isolated velvet counter unattended. The nearest clerk, usually one not familiar with the stock, attempted to make the sale. She frequently left the velvets scattered over the counter, exposed to damage from dust and stains.

Fixtures built like ladders, with loose adjustable rungs turned by hand, are now in use. A large glass case with sliding doors displaced the shelves. The ladders, each rung holding a roll of velvet, are fitted into the case. The stock is easily accessible—a short pull and the velvet will unroll. It can be assorted into color ranges. If the regular velvet saleswoman is away, the occasional purchaser can be promptly served by a clerk from an adjoining counter, so simple is the arrangement.

Comparative observations of the new and the old method demonstrated that the change eliminated one

vital selling fault and increased sales over thirty per cent. This increase is largely due to the ease with which buyers can match samples on the new ladder-like fixtures, which display the velvets arranged according to color gradation. Formerly a clerk often removed and re-shelved eight bolts in making a sale. These waste motions are avoided under the new method, since each shade can easily be reached without removing bolts from the fixture. In rush hours the customers are able to match samples without assistance from salespeople.

HAVE you ever analyzed the sales talk of a clerk showing a customer cloth? To do so often leads to new methods which stop rough edged selling and its wastes.

During mark-down sales, before the new fixtures were installed, the velvets were carelessly piled on tables; the regular stock was shelved in the customary manner. On an average, clerks handled four bolts to every purchaser. Here is an analytical observation of a clerk showing different shades:

	Clerk	Customer
1st Bolt.	Selling talk brisk.	Attention concentrated.
2nd Bolt.	Selling talk advisory.	Interested.
3rd Bolt.	Selling talk advisory.	Interested.
4th Bolt.	Selling talk indifferent.	Interested.
5th Bolt.	Silence.	Indifferent.
6th Bolt.	No Sale.	Not satisfied.

The correct shade was afterward found in stock. The clerk's indifference evaded the display of other stock by the excuse that the prospective customer was "only matching samples."

Under the methods displaced by the new fixtures, wasted time and effort in handling stock lowered the average selling efficiency, detained the customer, kept the counter occupied, and the aisles crowded. The re-

sulting congestion in the department enforced dilatory buying and dilatory selling. Efficient activity was lacking because the displaying and re-shelving of stock consumed forty-eight per cent of the salespeople's time.

The newer shoe shops have discarded both the high shelves jammed with manufacturers' boxes labeled in many colors and the sliding ladders which years of use have associated with the shoe store. The manufacturers' boxes are replaced with permanent stock boxes, each pair, of course, in a separate box. After sales the boxes are replenished from the reserve stockroom. Since no duplicate sizes are carried in the forward stock of any style, the fixtures need not be higher than a salesman can conveniently reach.

A large and notably successful Boston store has supplemented the customary shoe department benches with comfortable chairs scattered about the section. Besides assuring to everybody some degree of privacy, these chairs give the salespeople an opportunity to take a customer out of earshot of the varying price quotations which distract her when jammed into a bench near three or four clerks all trying to make sales. Her attention is pleasantly centered on the efforts of one salesperson, who thus has an uninterrupted chance to demonstrate the stock and induce her to buy.

The collar rack which displays the range of stock styles was probably the first fixture invented to actually help handle sales. This fixture invites and aids the customer to pick out the style he wants. Its efficiency is now increased by a fixture behind the counter. This is divided into large compartments built to hold boxes of a standard size. The manufacturer packs the collars by third or half-dozens into little boxes. After the customer has selected the style, the clerk can quickly offer

the collars neatly boxed. This plan encourages sales in lots and keeps the collars fresh. The little boxes are neat and attractive.

BINS were costing this hardware man many sales and valuable clerk hire—he changed his methods and now knows that equipment is worth thinking about.

An eastern hardware dealer, passing his store on a Sunday evening, saw that the watchman had forgotten the safety lights. He had hardly entered when he stumbled over two nail bins. A few minutes later he barked his shins against a keg of finishing nails. Next morning, he recalled the nail keg and the bins. For the first time he noticed how unsightly they were. Then one of his salesmen caught his attention. He hurriedly gave a boy a handful of nails for a cent. A moment later a mechanic received over-weight. Nails were constantly being spilled on the floor. The hardware man had discovered one of the hidden leaks through which poor equipment was sapping net profits.

"I went back to my office determined the bins should go," he says. "They were wasting my time, my money, my effort, and my floor space. I have my nails in packages now, classified by weight and size, and packed on shelves. The lowest price of any package is five cents. The 'handful' customer who 'just wants to nail up a shelf' pays a nickel instead of a cent and is satisfied with the weighty package he gets for it. No more nails are lost or given away. The bins have gone—so has the waste effort. It takes about a minute to handle a sale. The clerks are pleased and I am pleased. We keep busy during slack hours making up the out-size packages."

Fixtures which help the window dresser pull sales are also being introduced. They usually result from the in-

genuity of a thoughtful decorator, but time-studies often point out their value. A southern department store, stocking the cheaper lines, found it took from eight to eighteen hours to dress the east side full front, depending on the character of the merchandise and the style of the display. The prevalence of competing cut-price sales which must be met and the apparent difficulty in making a quick shift of full fronts led the manager to test for ways and means.

The actual results of his tests, of course, varied between wide extremes. This was partially on account of the widely different stocks constantly handled. The series of tests showed, however, that in displays in which the usual mirror dividers were not used, there was a material reduction in the time required to change the fixtures and arrange the new display.

The reason for this was easily placed. These mirror dividers were kept in the trimmers' storeroom on an upper floor of the building. Because of their weight and the care required in handling them, it took two men to get them down the elevator and truck them across the store to the windows. Then it was necessary to carefully edge them into the windows. The dividers were cumbersome and the window entrances narrow. The mirrors had to be raised to an angle of forty degrees and slowly wormed into the show windows. The time tests showed that all this labor went into the placing of an ornamental fixture in the window, for outside of its service to the store as a background or divider, the selling utility of the mirror was insignificant. The mirror dividers are now kept permanently in assigned windows and never removed. In all other display windows, the trimmer uses a popular board divider of his own design.

It is patterned after the mirror fixture and painted

white. On either side, and at each end of the board, a strip of steel is inlaid. Shelves can be fitted into these strips at any desired level. Both sides can, therefore, be used. These new fixtures cost the store about \$175 each. The advantages of the board divider are apparent. One man can handle it in quick displays; and it is not breakable. They make entrance to the windows easy, and often increase the selling efficiency of the trimmers' department fully fifty per cent. Scratches and marks from rough handling quickly disappear under a coat of paint. They lack, however, the ability of the mirror divider to reflect displays.

WINDOW dressers find this new style of divider saves time and allows the clerks to use the display as a sample when selling from counters near the windows.

As a selling fixture, this board divider gives a high degree of utility. During emergency shifts, the shelves on the divider display merchandise while the floors of the windows are being cleared. The rapidity with which changes of dress can be made eliminates the need of window shades. Passers-by are given something to look at all the time. Increased sales and a further reduction of waste effort results from showing goods on the divider shelves during special sales of brass ware, silver and china, when there are frequent inquiries about specific designs or pieces. Whenever possible, the divider stands near a window entrance. Its shelves hold a sample of every article in the window. This enables the clerks to reach samples without entering the windows or disturbing the floor display.

The changes which retail stock storage is undergoing are partially caused by the introduction of fixtures designed to help sales. These fixtures demand a smaller

reserve stock than shelves and counters. Their small forward stocks require frequent replenishment. The reserve stock must, therefore, be as near as possible.

The spreading use of fixtures with a power to sell is a step toward the thorough reorganization predicted for retail distribution in America. The ideal is a fixture from which the customer can select goods without assistance, pay the cashier and leave the store. A Broadway restaurant has realized this ideal. Thousands of New Yorkers easily select their food, drop their coins, punch a button and carry their meals to tables. Retailers want the same service from fixtures and are willing to pay for it. The manager of a large Boston store keeps standing an offer of \$100 for the best selling fixture designed by a clerk. Automatic selling venders may never be perfected, but fixtures with a power to sell are a fact. They make possible the rapid display of the large present-day stocks—and customers learn to choose the store that shows the most in the least time.



YOU'VE got to believe in yourself and make your buyers take stock in you at par and accrued interest. Get the grip of a bull dog on a customer. Feel the same personal solicitude over a bill of goods that strays off to a competitor as a person over a backslider.

—George H. Lorimer

XIV

HOW QUICKER DELIVERIES MET COMPETITION

By W. W. Loomis

FIVE bicycle boys formerly handled the deliveries for three associated drug stores in a well paved southern city of, perhaps, seventy-five thousand. But competitive drug stores on most of the advantageous corners, in the middle of many blocks, and scattered through the residence districts, set a pace that demanded still better service.

The young proprietor of the associated stores solved the problem by motorcycle deliveries cleverly advertised.

For his central store he put on two motorcycles; for each of the others, one. At a cost of \$2.50 each, extra "one-way" telephones were put into the stores.

Street car advertising was the chief medium of publicity, though some newspaper space was used. At a monthly rental of \$50.00, every car in the city constantly carries a card calling attention to the "Owl" drug stores' quick, free delivery. The points emphasized are: no route deliveries, no charges and no failures.

One advertising slogan which guaranteed fifteen-minute delivery or a five-dollar forfeit brought in comment from hundreds of people. Only two forfeitures were necessary in months of service and the offer pulled extraordinarily well because it proved the druggist's

faith in his own plan of "making good."

A visitor dropping into one of the "Owl" stores may see two motoreycles along the curb. Two minutes later, unnoticed, both will probably be gone; so quietly and efficiently does the service work.

The 'phone call comes to a back room, where two clerks are constantly preparing and labeling orders for delivery. These are laid out in order for the rider as soon as he comes in from his last trip. Deliveries are made C. O. D. and the rider is charged at the desk with sales until he turns in his collections.

Repeat prescriptions are filled by number; a motor goes after the original prescriptions, has them filled and delivers them free. Medicines are given precedence over less urgent orders, though everything from chinaware to stamps, regardless of profit or amount, is delivered with equal readiness.

QUICK delivery methods advertise "Marvin's" every day of the week and far into many nights—service which brings customers back over and over again.

The different stores cooperate as fully as possible in deliveries. Should a rush order reach a store when its motor is away, it calls upon one of the other stores for a machine. On Sundays and slack times two of the motors are laid off, and they work in relays at meal times. Every machine bears the trademark, "Marvin's"; and the sight and sound of the motors day and night typifies quick, "get there" relief.

For four months the proprietor of the "Owl" stores hung to his campaign in the face of a standstill trade. Then his advertising struck returns. Housewives awoke to the new convenience and began to talk about it.

In the sixth month, the sales quadrupled those of a

half year previous. On a slow Sunday, with only two motors at work, one hundred and twenty-five orders were motorcycled. The extreme delivery distance is nearly four miles one way, but on the basis of a three-quarters of a mile average, this Sabbath record means nearly two hundred miles for each machine.

The druggist estimates that now fifty per cent of his orders come over the 'phone. To have quadrupled this business is a triumph in swift, accurate service—in business-getting alertness.

The merchants in a city of fifteen thousand had a heavy burden in delivering their goods to the scattered population. Just west of the city were several coal mines and their trade was desirable enough to warrant a four-mile delivery of goods. To the east there were railroad shops and yards with another, and almost distinct, population. Then to the south was a residence district that could not be neglected.

The merchants had to operate about three times as many delivery wagons as business men in cities where the population was more centralized. Not infrequently it cost a merchant considerably more to make a delivery than the entire amount of the order. The people complained of high prices, while the business men insisted that they were not making money—a statement that was substantiated by a number of failures. The merchants seemed unable to locate the trouble; they could not understand why their profits were not equal to those of stores doing a like volume of business in other cities.

One summer a traveling man for a wholesale house spent his vacation with relatives in the little city. He had called on the merchants for years, but during these vacation weeks he got acquainted on a more personal basis and became interested in their local prob-

lems. Having the breadth of view of one who has long bumped up against business conditions in various localities, he soon grasped the situation. He started out "to find the answer," and became personally interested.

T*his traveling man reduced delivery expenses for the merchants in a city of fifteen thousand and at the same time created a profitable business for himself.*

He quietly gathered from the merchants information relative to the number of orders delivered every day and the cost of the teams and drivers. Then he got the dealers together one evening and outlined his plan.

"Your legitimate profits are eaten up by the cost of deliveries and the trouble with the delivery system is too much lost motion," he declared. "For instance, Alexson may have to send a wagon several blocks out of its way to deliver Mrs. Hybist's bushel of potatoes; White sends his wagon out of its way to send this same Mrs. Hybist a couple of cans of corn and a bunch of celery, while Murphy covers the route the third time to leave a loaf of bread and a half dozen rolls. To hold your trade you have to make your regular deliveries regardless of the number of orders. It costs practically as much to send a wagon down to Knob Hill with a sack of flour and a cake of yeast as it would with a full load. You have to make deliveries; you can't condense territory or add materially to business. The only thing to do is to pool your deliveries so that in place of three or four partially filled wagons covering the same routes, you can deliver all the goods for a given section of the city in one wagon. Pool your work. Have an independent delivery service that will handle the goods from all the stores. A third of the men and teams can do the work and you can cut the price of many

of your commodities and still make a larger profit."

He then presented figures showing what it actually cost the stores to deliver their orders. Some of the merchants had never tried to figure out their expenses per order and the cost in some instances seemed almost unbelievable. It was easy to show where they could save money by a syndicate service. To the anticipated objection that the scheme looked all right in theory but might not work out satisfactorily when put to trial, the traveling man declared his willingness to back up the scheme with his own money. He went on to say that he was tired of the road and had been looking for an opportunity to get into business for himself; he added that he had enough confidence in the syndicate delivery service to give it a trial, and would make a contract to deliver all orders for three years at a flat rate per order, regardless of distance, at a figure that was less than half of what some of his dealer friends were paying. He offered to buy their delivery wagons and horses at a fair valuation, hire their most reliable drivers, and make deliveries to all parts of the city twice a day.

Naturally there were many objections—the proposition was too big to be grasped by all the men at once. The smaller stores were enthusiastic because it would give them just as good service as their larger competitors—and for this same reason the larger stores disapproved. They argued that they would be surrendering one of their strongest talking points—frequent deliveries. But it was pointed out that they would be the biggest beneficiaries, for inasmuch as they saved money on every order, the greater the number of orders, the greater the amount saved.

"The merchants went home and began to figure the actual cost of delivering goods. Gradually they were

converted to the single delivery service and the scheme was tried with many misgivings. It has now been tested by six years of operation and in the main it has proved satisfactory to all concerned.

WHEN you reach the limit of expansion in your home territory, you will want to know how to branch out into adjoining sections and grow still more.

In an enterprising Chicago suburb the merchants adopted this cooperative delivery plan for extending their markets to several smaller villages. No one business man had enough trade in any of these nearby villages to warrant his introducing a free delivery service, but several of them got together and agreed to take turns in sending wagons to the new territory, each one delivering the orders for all the others. On Monday Stow covers a certain district and the next day Rich goes over the same route, while Stow sends his wagon to another section, and so on. In this way each merchant is able to extend his markets; his only additional expense is for one more delivery wagon and driver.

The possibilities for intelligent cooperation are beginning to impress themselves upon retail merchants and these two instances show most profitable results.

A southern haberdasher, anxious to extend his trade, took a lesson from the mail order houses and decided to reach outside territory by "jobbing" to the consumer and delivering his orders by mail and express. He had formerly been a traveling man in the counties he thought of covering and knew that a certain per cent of the more careful dressers went to a larger town to buy. His plan was to take the season's novelties direct to these men.

Anticipating each season, he packed trunks with choice samples which he selected with discrimination in

order to cater to the different sections he visited. Then he launched out on a retail selling trip. A week or less ahead of his visit, he placed advertisements in the local papers inviting the public to call and inspect his samples. Reaching a town, he would display his line in a hotel sample room as in his jobbing days. Customers would order by sample and he booked their orders for delivery several weeks later. The shirt or the necktie that comes direct from a large city always seems to be more stylish and up-to-date than the same article purchased in the country store. In every town many men made it a point to look over the samples "just to get a line on the new styles," and almost invariably they found something that took their fancy and orders.

No attempt at a cash business was made. All goods were delivered by mail or express and collections were handled in instalments or C. O. D. Very few accounts showed losses.

The plan was extended to a territory within a two-hundred-mile radius from the Louisiana store, and brought welcome styles to the men in the smaller towns. The Louisiana haberdasher demonstrated the possibilities open to the retailer for extending his trade by delivering orders whenever and wherever they are wanted.

One of the causes of the growth of department stores in the larger cities is the perfection of their delivery services. Not only must goods be delivered in perfect condition, but they must be delivered promptly. To such an effective system has this service been reduced by some of the stores that frequently customers making purchases early in the afternoon will find the packages awaiting them when they return at six o'clock to their suburban homes fifteen or twenty miles from the city.

The department store that covers both a large city

and a forty-mile zone of suburban territory has delivery needs that require speed and economy. The great distances preclude the exclusive use of delivery wagons running direct from the store. The larger stores often speed up their service by establishing sub-stations in outlying districts. Large motor trucks have now usually supplanted the wagons formerly used, and four or five tons of merchandise can be sent by one of these trucks directly from the store to a distributing station where the smaller wagons are waiting to receive the goods and complete the deliveries.

Many of the stores use express companies when sending goods to suburban towns. All purchases except furniture and bulky merchandise are packed in mammoth trunks which are loaded upon trucks and rushed to the express stations on a regular schedule. Representatives with delivery rigs, kept in the various suburbs for this purpose, meet the trains, open the trunks on the platform, sort the packages by streets or routes, and deliver the goods, miles from the store, within a few hours after the purchases are made.

Merchants are looking upon their delivery service more and more as a vital factor in attracting business. In small towns and in large cities alike there is a noticeable movement afloat to quicken deliveries.



IF THE manufacturer and wholesaler would seriously study and cultivate the retailer, see him as an important part of the distribution rotation, there would be no "dealer problems." The manufacturer assumes an entirely different attitude when he becomes intimately acquainted with the retailer. When the personality, the power, the rights of the merchants are recognized, his assistance and cooperation will be zealously safeguarded.

—George L. Louis

XV

A CUSTOM-MADE STORE THAT PAID

By Fred Cook

FATE started me in business in "hand-me-down" quarters where some one had "kept store" for generations. The style and arrangement of the building I inherited; it seemed impossible to develop an individuality in such surroundings. Like discarded clothing, the store did not fit my requirements and changes would be little more than patches.

The building, about twenty-two feet wide and eighty feet long, was shelved after the fashion of the majority of small establishments. Counters stood in front of every department and through the center of the store ran another series of counters or tables. As a result of this arrangement the floor space was very limited and divided into narrow aisles. On busy days the crowds were handled with difficulty. The entire layout was unsatisfactory, particularly as a narrow front limited the window space.

One day it became necessary to buy the building in order to avoid being turned into the street. It seemed as though the cramped quarters had me cornered. Every day some new inconvenience became apparent and I wished heartily for a store built after my own ideas and to fit my business.

My opportunity came unexpectedly. The old frame

building, no better in its power of fire resistance than in its architecture, burned to the ground. I decided to design a building that would avoid the mistakes of the old one, and conform as closely as possible to my desires. I outlined the virtues which my store was to possess:

First, it was to be reasonably fireproof. The old building was so ramshackle that the insurance rates were high. As a result I had been only partly covered and had suffered a heavy loss. Any sort of a frame structure was, accordingly, out of the question.

Second, my plans called for a store wide enough to give plenty of floor space and satisfactory window frontage.

Third, I wanted distinctiveness and personality that would at once stamp my shop as different from other establishments.

And, fourth, it was to have an abundance of light and be as attractive as my limited capital would permit.

I did not want an architect to draw the preliminary plans for the building, as I felt that I knew the demands of my business much better than an architect. I drew my own rough plans and then secured skilled assistance. With my appropriation in mind, I decided upon a building thirty-five by fifty feet, with solid brick walls. An excavation was made the full size of the building so that there would be plenty of basement room. While there is not much chance for originality in building a basement, a glance at my new basement (Figure I) will show some distinctiveness to be possible.

The driveway over which all freight is received lies to the back of the store lot, so a wide entrance was arranged for the back of the basement. This entrance was made wide enough to admit an ordinary wagon, so that the truck of freight or the farmer's load of produce

could be backed directly into the basement and there unloaded.

The brick piers necessary to support the streak sill

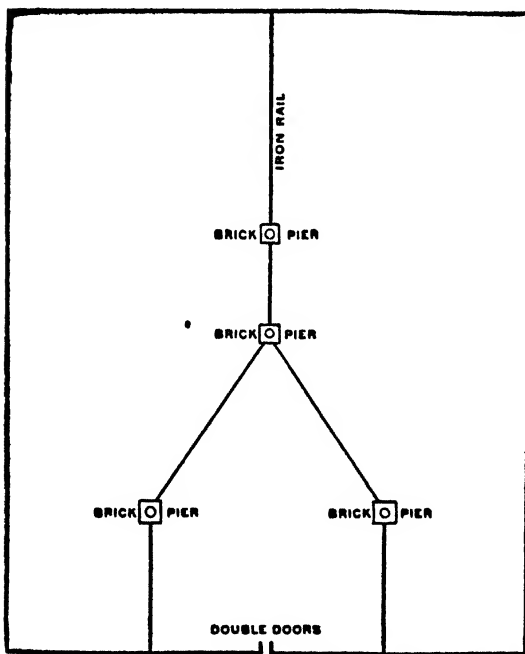


FIGURE 1: This basement plan allowed the dealer to provide a driveway for wagons and at the same time to use a streak sill instead of more costly bracing. The four brick piers support the sill

interfered with the driveway clearance. To overcome this difficulty, the device shown in Figure I was used. The V arrangement of the last section of the streak sill

in no way lessened stability and made it possible for a loaded wagon to enter and proceed to the center of the basement. This has proved a real advantage on many occasions. The stone basement walls are two feet wide throughout and provide ample strength should we ever care to increase the height of the building.

Practically the entire store front is of glass. My final plans called for a twelve-foot display window on either side of an eleven-foot entrance. This entrance tapers to about eight feet at the doors (Figure II). The entire front, including iron beams for overhead, iron columns, plate and prism glass, and wooden sashes was ordered complete from one source to insure a satisfactory fit. The woodwork is stained and varnished; the iron columns and overhead beams painted white; and the scroll and relief work tinted with gold. This gave an effect quite distinct from the stereotyped form of store front found in the average small town.

VENTILATION and lighting plans are store features which you will want to specify in detail when you finally build to order a store for your business.

Topping the large panes of plate glass and extending across the front of the building, are three sections of prism glass set in copper. The prism glass gives advantageous lighting qualities. To complete the day lighting of the building, four arched windows, three by four feet, open through the west side wall into a court. They are near the top of the wall and above the shelving. The arched portions open and provide ventilation.

In the rear of the building, directly over the two pairs of double doors, are plain oblong transoms, two by six feet in size. The area of the glass in the building approximates five hundred feet and daylight floods the

store—a valuable assistance in displaying goods.

The floor arrangement and the fixture lay-out were designed to meet the special requirements of our trade. I

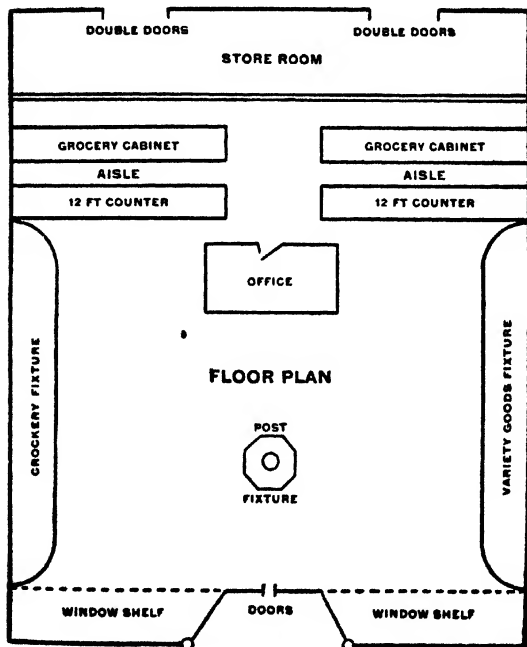


FIGURE II: The dealer who designed this store lay-out planned to secure generous floor space, well lighted and ventilated. He was forced to use the posts to avoid expensive trussing

handle three lines—groceries, crockery and five and ten-cent goods.

The crockery department I located at the front of the

new store, so that its displays would catch the eye the moment a customer crossed the threshold. One side of the doorway features crockery, the other variety goods. Every fixture is separate and complete in itself and no shelving is attached to the walls.

For example, the grocery department shelving is built in two cabinet sections. The first shelf is three feet from the floor. The space is utilized for drawers in one of the sections, and for bins in the other.

The design of these bins is unusual. In my old store I used ordinary bins for sugar, oatmeal and other similar stock. They necessitated extra handling, for the goods had to be scooped from the barrels into the bins. I noticed that a competitor stores the barrels beneath the shelving and puts up his goods directly from them. I now secure the advantages of both systems by making the lower sections of the cabinet large enough to admit barrels and hide them from view. A foot or so of the shelf directly above each compartment is hinged to form a cover. In this way I secure all the neatness of a bin and none of its inconveniences.

Above the bins and drawers in the cabinet are four shelves. The first shelf is three feet wide and the others are successively a few inches narrower. The chief advantage of this style of shelving is its convenience. It will hold more goods than any other style and enables you to make a full stock display with a very small amount of goods. Owing to its receding width, it allows you to remove goods from behind without disturbing the front row and preserve an unbroken display. At inventory time, canned and package goods can be counted without removing them from the shelving. The top shelf, which is six feet from the floor, I use for display purposes.

Directly in front of these two grocery cabinets I

placed twelve-foot counters. Each counter has eight drawers and eight display fronts. The display fronts are made by fitting the inner ends of the drawers with glass and providing a partition a few inches back of them to keep the display goods separate from the bulk of the contents.

Directly in front of the aisle and between the two counters and cabinets, the office is located. It is merely a desk enclosed in a cage. The location was chosen for the sake of convenience and because from it all parts of the store are in plain view.

SHELVING can be made to help sell—plan your fixtures to work with your salesmen and relieve them of the details of getting customers suited from stock.

The fixtures for the crockery and the five and ten-cent goods are like the grocery equipment. The same receding shelf plan is used, except that the base is paneled and is but eighteen inches high. Five shelves of gradually decreasing width complete these fixtures. The crockery shelving is covered with green felt for display purposes. Easels on the shelves and cup hooks screwed into the shelf edges are useful, so that customers can inspect goods at close range and have liberal aisle room; no counters are placed in front of these departments. This arrangement leaves a floor space clear of all obstructions and nearly thirty feet in width. On sales days some of this space is used for tables or booths, but at all other times remains clear.

All of my fixtures are of ash. Ash is cheaper than oak and finishes almost as well.

The window shelves are made four feet deep with three-foot paneled backgrounds of ash. These backgrounds I have found to be of the right height for ordi-

nary stock displays. When a more pretentious display is planned, a false back can be built to any desired height.

I found it necessary to use columns through the center of the building, since eliminating them meant expensive trussing. I partly concealed them by building hexagonal oak cabinets around them. These cabinets are fitted with plate glass shelves and make very useful fixtures, particularly adapted to seasonal displays of glass specialties and other small wares.

To get favorable lighting at night, I use electric bulbs which demand twelve hundred candle power. A one hundred candle power light, with a prismatic shade, hangs over each grocery counter, two at equal distances from each end of the side wall fixtures, and two in line with these near the center of the store. The windows are equipped with adjustable bonnet reflectors which hold two forty candle power bulbs.

After using my new building for a considerable length of time, I know of no change I should care to make. Plans of the building and fixtures have already been furnished to other merchants who wish to duplicate my successful arrangements.



DON'T you feel when you get into a store for the first time that you instinctively know what the store represents? Can't you almost feel that you will get a square deal in this place, or that you had better keep your eyes open in the other place? When the clerks treat you courteously and intelligently and you are made to feel that you are welcome, aren't you pretty sure to go out of your road even to trade there?

Well, all that is personality, and we usually speak of it as store policy and store methods.

—Ben B. Hampton

XVI



GUIDING SALESMEN BY MAP AND TACK

By W. A. Waterbury
Sales Manager, A. B. Dick Company

MAP and tack systems are one of the most important equipment features of offices which handle traveling salesmen, selling agents, or a more or less extensive mail order business. They are geographical charts that, in a way, keep the management of your business under close supervision. •They are to the manufacturer or merchant as the train charts are to the train dispatcher—indicators showing what is going on at every critical point.

You can make the map and tack system show in condensed form the territory covered by your dealers, agents and traveling salesmen. You can use it to lay out a salesman's route and to follow him as he pursues it. It keeps you in constant touch with his work and lets you know at all times what he is doing and whether he is making or losing money.

The map also tells you at a glance where prospective trade lies. It locates fields that have not been developed. It shows you where collections are due, and where advertising is producing the best results. It may be drawn upon for a hundred and one other points important to your business.

As generally used, the map and tack system consists of one or more cabinets of shallow drawers, which con-

tain the maps required. Sometimes a single drawer is used for a map of a single state; sometimes a drawer will contain only a portion of a single state and at other times two entire states, according to the character of your business and the money you can afford to put into the equipment.

Tacks with different colored heads and balls of different colored twine are used in connection with the maps to indicate different business conditions.

SALESMEN can be followed by maps and tacks, their routes scheduled and their work laid out so that it can be checked from the home office day by day.

This is the simplest form of a map and tack system. Probably no two concerns apply it in exactly the same manner. The equipment is merely the foundation and may be regarded as the tool with which to work.

I have found my way of operating the system to be simple and practical. Any one can put it into practice at any time without conflicting with other interests.

I will take as an example my company, which employs fifty to a hundred salesmen to handle and sell a marketable article that is in more or less demand in all parts of the country. In addition to the salesmen on the road, I have a resident sales organization of dealers and agents who are under contract to handle my line of goods and who have, under the contract, exclusive rights to the sales in their territories. These agents are scattered. Some control a single town or city, others an entire county, and some a state.

As I have no right to operate in districts allotted to exclusive agents, I have to keep my traveling salesmen out of their territory. In order to do this, it is important that exclusive territories be designated on the

It is, of course, essential that there should be a way of naming agents by inspecting the map. The index card shown in Form I, supplies this information. A drawer in a card cabinet, subdivided according to states, cities and names, will hold the cards. The cards appear under the names of the cities tacked in white and contain the names and addresses of the agents and a description of the territories. Duplicate cards (Form II) containing only the names and addresses are kept separately with the cards of all the other agents, arranged alphabetically by names.

One glance at the map shows the territory controlled by an exclusive agent. Reference to the first card filed under the name of the city he uses as headquarters shows who he is and the territory he controls. The second card gives only his name and address. It is the cross index and locates the territory and address of an agent who is mentioned only by name in correspondence. Reference to the map makes the information about him complete.

On receipt of an inquiry I consult the map and the town or city that furnished the prospect. The original inquiry is given a number, and all future dealings or correspondence with the inquirer is conducted under that number. An index card (Form III) which carries the name and address of the prospect is given a corresponding number. We do not file correspondence about prospective business in the general office file until the inquirer has been sold, but file it separately and by consecutive numbers. The number of the card acts as a guide for locating the correspondence. These cards are filed alphabetically by states, cities, and names.

As soon as a prospect has been secured, the city tacked in black, a number given and an index card filled

out, I send circular matter, prices and other necessary information. Two carbon copies of the letter are made. The stenographer attaches one to the original communication for temporary filing, and forwards the other, with an appropriate letter, to the agent controlling the territory from which the prospect answered. I never send the original communication to an agent, but write a reply worded so that he can understand the purport of the original inquiry. If this is ambiguous, I attach a copy of the inquiry.

The black tack remains in the map until the resident agent notifies the home office of a sale. After a sale it is removed and a blue tack substituted. If the cards

NAME	Charles Peters & Son			PROSPECT
ADDRESS	Peoria, Ill.			
	H. C. Holpack			SALESMAN
ADDRESS	Springfield, Ill.			
	CITY	DEPARTED	DATE	ADDRESS
	Sturgis	10:30 PM	July 7	James Hotel
	Three Rivers	6:00	" 9	Holbrook
	Schoolcraft	6:30	" 11	Gen. Delivery
	Kalamazoo	7:10	" 13	Press House

FORMS III and IV: The card at the top is a "prospect" record, and gives the name and address of a possible customer. The lower card shows the address schedule by which salesmen on the road are followed with correspondence from the home office.

show other prospective business in the same city, both blue and black tacks appear. The proper index card is marked "sold" and transferred to the back of all cards in that state into a "sold" compartment. The

compartment is arranged alphabetically under customers' names. The correspondence, which can be located by the number on the card, is removed from the numerical file and transferred to the general file.

Thus a black and blue tack indicate business accomplished and work still to be done, and reference to the cards, the correspondence and the "sold" cards shows instantly the prospective trade and the sales. A summary of the business done in any town can be conveniently kept on a card in the "sold" file. In this manner the amount of business done by any agent for any period of time can be quickly ascertained.

Sometimes it is difficult to induce the agent to notify you when he makes a sale to a prospect you have referred to him. Usually a reminder will secure action. A monthly statement of the sales enables you to tack up the maps, add to your cards and assemble a complete statement of the business done in an agent's territory.

HALPACK, a salesman, is routed by the map and tack system and his trip here explained so that you can follow him and watch him at work.

Open territory methods can, perhaps, be best illustrated with Figure III, showing a section of Michigan. I will suppose that this part of the state has no exclusive agents, but is covered by three traveling men, Halpack, Maxton and Casey, routed from Chicago, the home office. We can take Halpack as an illustration. For example, let us suppose he travels from temporary headquarters at Coldwater. Consequently Coldwater bears a plaid tack. Since this territory is not surrounded by tacks and string, it is not exclusive. It is under the control of the general office and covered by a salesman. Reference to the index card under "Coldwater, Mich-

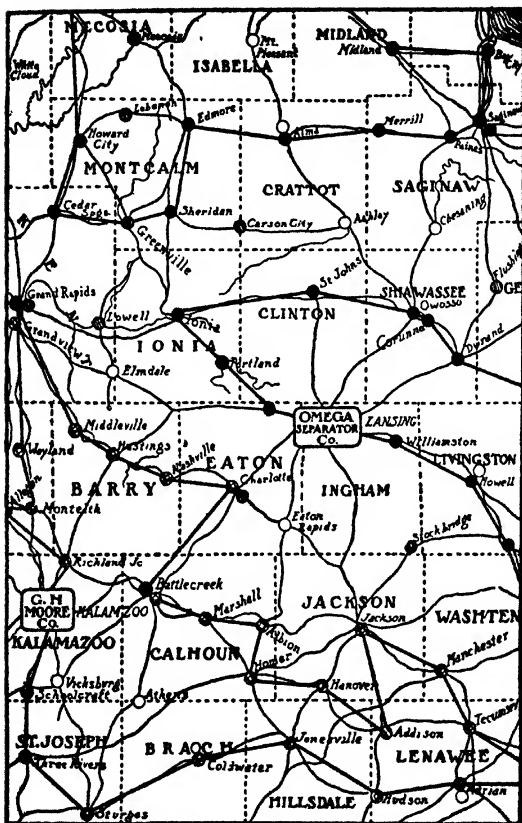


FIGURE III: This corner of Michigan has been routed by the map and tack system for a salesman traveling from Coldwater to Grand Rapids to Tecumseh and back through Adrian. The white tacks represent exclusive agents; the black, inquiries; and purple ones are placed at Grand Rapids and Battle Creek to designate special business.

igan," shows that Halpack is in charge. I find black tacks in numerous towns and cities scattered throughout this section of the state, and go to the index cards to obtain numbers locating correspondence in the numerical file. Letters so obtained enable me to analyze conditions and lay out a route for Halpack to follow. I must arrange his route so that he will not come in conflict with Maxton, who operates from Eaton Rapids, and other travelers in contiguous districts. I substitute plaid tacks for black ones in towns where I have prospective business which I desire Halpack to visit on the present trip. Examinations of the railroads and the junction points give me the following route: Coldwater to Sturgis, Three Rivers, Schoolcraft, Kalamazoo, Richland Junction, Allegan, Monteith, Wayland, Grandville, Grand Rapids (a purple tack in Grand Rapids indicates special business; reference to the index card shows it to be an important collection and all papers connected with it are in possession of the credit department, waiting to be called for), Middleville, Hastings, Nashville, Charlotte, Battle Creek (purple tack, collection), Marshall, Albion, Homer, Hanover, Addison, Jackson, Manchester, Tecumseh, Dundee (beyond the limits of the map shown on the illustration), Adrian, Hudson, Jonesville and home.

I now take two strings, red and green, and tie them to the Coldwater tack, looping the red around the tacks in the order above named, until I reach Jonesville, the last town before reaching home. This shows the route. The object of having the string end at Jonesville is to avoid confusion, as one examining the map might assume Halpack went in a direction opposite to my routing, if the string was continued back to the Coldwater tack. The green string is also tied to the Coldwater

tack, but is left loose. As soon as Halpack clears the first town (Sturgis), he notifies the home office by wire (or by mail, if he is traveling slowly), and the green string is looped around the Sturgis tack, and so on during his complete route. A glance at the map will always show the last town cleared. The next town is, therefore, the place where Halpack can be reached by wire or letter.

It is important that notices of departures should be immediately recorded on the map with the loose string. Reports of the business transacted and the sales made are sent to the home office daily and the records are handled along the general lines already explained.

PUTTING your finger on a salesman who is out on the road is an easy matter if you are using map and tack methods which constantly keep careful tab on him.

To locate a traveling man who is moving over a tacked route, as for instance, Halpack, reference is made to his card in the index file (Coldwater). Previous to his departure from a town or city he wires his time of departure and his hotel or mail address in the next town, and sends this information as far in advance of his departure as practicable. If circumstances will permit, he sends this information by mail. As soon as I receive it I have the time of departure, date, name of the next town and mail address recorded on the card, which is available to any one who has occasion to communicate with him. Form IV shows the form of card used for this purpose. It indicates, for instance, that H. C. Halpack left Schoolcraft July 11, 6:30 p. m., and that he should be addressed at the Hess House, Kalamazoo, until another notice arrives. In the case of a traveler moving too rapidly to permit the use of his departure

Notices, the addresses in the different towns are determined upon and recorded in advance.

This plan is intended to cover the movements of Halpack, who travels rapidly. In the case of a traveler moving more slowly, the mails may be utilized instead of the wires. If this is done, as much notice as possible in advance of departure should be given.

As fast as a town is cleared and the correspondence, reports, and orders sent in, if unfinished or prospective business remains, the black tack is restored.

If all business is cleaned up and there is no further necessity for returning, and credits have been taken, a blue tack is substituted for the black. A town may bear a black and a blue tack—indicating prospective business and sales consummated. The maps show where your business is coming from. A preponderance of black tacks and a scarcity of blue in territory regularly and properly traveled indicates weak representation or an unprolific field. A change of representatives may alter the situation, or the failure to get a satisfactory business may be due to causes needing careful study.



MANY years ago I conducted a general store in Connecticut. I made it a point to impress on my clerks that careful attendance and personal treatment must be accorded every visitor to that store no matter what the amount of a purchase or coin if no purchase at all was made. I insisted that a customer who spent ten cents should be given just as close attention and as patient attendance as the customer who spent ten dollars; for very often the ten-cent customer of today develops into the buyer of tomorrow whose every bill stands for more than that of the ten-dollar purchaser of the present. Now the clerk who had that idea inculcated—who did not want to be told—was the man with personality. He was the salesman who could attract customers and hold them.

—George H. [unclear]
First Vice-President, Michigan State [unclear]

PART IV—SALES RECORDS AND SYSTEMS

Efficiency as a Habit

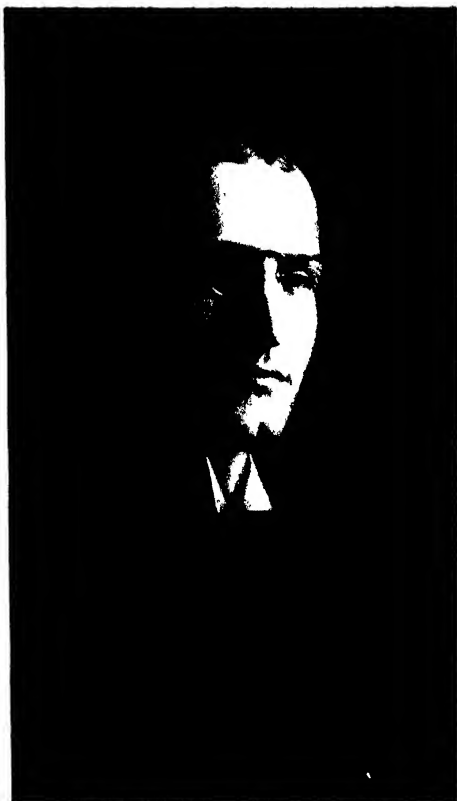
IT is not the fellow who is jumping up and down all the time who produces the best results. It is the fellow who keeps his human machine in good shape, using his brain and doing some good consistent thinking.

Just in proportion as we get ourselves trained into habits of right thinking and the forming of habits of accuracy, habits of sincerity, habits of honesty, just so much have we got out of our will power, leaving us free to do bigger things that our brain ought to be doing. Old thoughts are easy, because they go through the same channel, but new thoughts are hard.

You know we sometimes get the wrong conception: that the way of increased efficiency is to speed up and go a whole lot faster, but, really, increased efficiency is going to be the careful, thoughtful, systematic working out of these things and the avoidance of waste.

The last fifty years was given to the improvement of machinery. The next fifty years must be given to the human machine.





E. A. DEEDS

Vice-President, National Cash Register Company

XVII

LEARNING TRADE CONDITIONS FROM FIELD MEN

By Hugh K. Harris

TO WRITE "ginger letters," post comparative scores and award prizes, is comparatively easy work, but that is not enough. The sales manager of to-day must have specific and actual knowledge of conditions in the field to make his help count. His difficulty lies in getting salesmen's reports which, in condensed form, accurately picture each customer with whom the house deals.

A sales manager who makes his percentage of returns climb steadily month by month, achieves results by a system of daily reports which graphically give him a bird's-eye view of business done, and which keep him in close personal touch with his men and their customers at all times. The house handles a wide variety of goods and the reports permit him to study and know his customer's business and to discern and instantly correct errors of salesmen in handling trade.

The system shows the weakness of salesmen as well as their strength. It is not based on lump sums of goods sold, but shows the distribution of sales over the entire line of goods handled by the house. Monthly tabulations of the salesmen's sheets give the officers of the concern opportunity to make an accurate survey of business done. Places where profits exist and where losses lie

loom up and suggest possibilities of expansion or retrenchment.

The customer report used, five by seven inches in size, is indexed by salesmen's routes and by towns. Each route has a separate drawer. Towns are divided alphabetically. The top of the sheet carries the name of the salesman and time of call, together with the name and address of the customer. The column at the left itemizes the lines of goods sold by the house; the remaining ten columns on the sheet are filled in by the salesmen. Trip sales are recorded in their proper columns and prospective orders are indicated and kept track of.

EVERY sales manager has asked at one time or another for this tested plan, which enables one house to check on rivals' activity and shape its work accordingly.

If the dealer is heavily stocked, his leading lines are given and the sales manager, by comparing the columns "Leading Lines" and "Exclusive In," may gather daily knowledge of his rivals' work in competing territory and may organize his force to meet it. A check in the catalog columns shows that the dealer is supplied, but an "x" warns the office to forward the book. The most important of all is the first column. Here every line on which to write a letter is specified. With this information before him, the correspondent can write letters on specific topics and omit generalities which lead nowhere.

Financial standing, ability and responsibility, class of trade and local business conditions, together with any gossip of interest to the credit men or the sales manager, are shown on the back of the sheet. The scheme as tried out is practical and comprehensive from the sales manager's point of view. The salesmen look upon it as an effective aid and are glad to use it.

Easily adaptable to any manufacturer, jobber or wholesaler by simply making the proper classification of lines, the report gives an intimate index of actual conditions at every point on a man's route.

The reports furnish topics for discussion at the salesmen's quarterly conventions. Tabulation of the sheets may show a wholesale grocery force that candy sales fall below the average maintained in other lines. By getting salesmen to compare notes, exchange experiences, repeat criticism and explain failures and analyze their talk, the cause of the trouble can be found. If it lies in selling, emphasis can be placed on the candy sales campaign and the leading lines' advertising and selling appropriations reduced to make up the difference. If the trouble lies in manufacturing or buying, steps are taken to correct the error.

The tabulated reports are an inspiration for headquarters and for the road man. They raise house conventions above a dry, uninteresting routine level. But most important of all the results achieved by the reports on individual customers, is the close supervision of prospects' and customers' lists which they allow. They permit the right sort of letters to be written—personal, friendly, specific.

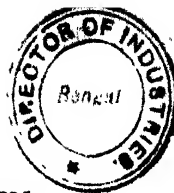


UNFORTUNATE, indeed, is the merchant who has not learned that there is a kind of publicity more valuable than that which he pays for in magazines and newspapers.

It is all a very simple problem to the modest merchant who understands human nature and who naturally identifies himself conspicuously with those movements and enterprises which attract favorable public attention.

—Truman A. De Weese

Director of Publicity, The National Food Company



XVIII

WHAT YOUR SALESMEN SHOULD REPORT

By B. C. Bean

SALESMEN calling upon the trade, handle information of use to the sales and credit departments. Formerly this information was secured from the salesman's letters. In some cases it was necessary, in order to get in complete data, for the salesman to send in his orders, a route card, an expense book, and then write one or two letters to report on special trade conditions. The tendency now is to condense and compact information as much as possible. This acts in two ways: (1) it gives the salesman less writing to do, while greatly extending the amount of information, and (2) compacts records for easy and quick reference.

Specifically, modern business methods call for one or more of the following: (1) a salesman's report showing the day's work and the conditions of trade; (2) a list of prospective customers, showing date of calls, sales, and so on; (3) a catalog of customers and prospects, secured from the combined sales force; (4) a report of sales and collections, showing comparative records of present and past business; (5) a weekly, monthly, or annual compilation card.

Form I is designed as the simplest form of report admissible. This is planned to check on the road man who works from the sales manager's list. This list may be

furnished to the traveler in typewritten form or the report card may be partially filled out in the office and sent out for completion.

After the salesman visits the town, he forwards his

SALESMAN'S REPORT CARD							
NO. <u>2457</u>			DATE <u>3-16-1912</u>				
TOWN	CLASS OF GOODS ORDERED					SALESMAN	
	A	B	C	D	E	NO.	
<i>Albert Lea, Miss</i>							<i>Shos Ruch</i>
CALLS							COMPLAINTS, INQUIRIES, ETC.
<i>C A Ransom</i>	✓	✓	✓	✓	✓		<i>None</i>
<i>H O Woodward</i>						✓	<i>Slow</i>
<i>Hanson & McKenna</i>	✓						<i>Well pleased</i>

FORM 1: When the salesman mails in a report card like this, he gives the sales manager a detailed outline of conditions among his customers in a town. The card serves also as a check on the salesman's activity

card to the home office, where it is checked and filed under his guide card. A separate card is made for each town, so if several towns are visited in a day, a corresponding number of cards will be forwarded. The reverse side of the card may contain an itemized daily expense account, a summary or duplicate of orders, or both.

This one card system, though simple, is quite thorough. It will be found a good system for introductory use, or where a firm does not have many salesmen.

When it is desirable to itemize selling expenses carefully and make a comparative record to determine sell-

lections, mailing points, and route. By comparing one week's cards with another's, the comparative yield of territory on various trips will be shown. When a new salesman is given a territory or salesmen exchange terri-

TRIPS OF <i>N. L. Calver</i>					
MO.	WEEK	SALES	COLL.	EXPENSES	PROFIT
4	1	2575.70	1590.40	21.05	
SOLD DURING WEEK			WILL GET MAIL NEXT WEEK		
<i>H. H. DeYoung, St. Louis</i> \$ 50.00 <i>R. B. Taylor</i> " 5 9.50 <i>W. H. Smith</i> " 5 145.00 <i>James H. Brown</i> " 5 65.50 <i>James H. Brown</i> " 5 128.12 <i>H. H. Smith</i> " 5 15.00 <i>H. H. Smith</i> " 5 75.50 <i>H. H. Brown</i> " 5 15.75 <i>H. H. Brown</i> " 5 125.60 <i>H. H. Brown</i> " 5 202.00 <i>H. H. Smith</i> " 5 25.00 TOTAL SALES \$			WED. <i>Saint Louis, Mo.</i> THUR. <i>Elgin, Ill.</i> FRI. <i>Chicago, Ill.</i> SAT. " SUN. " MON. <i>Detroit, Mich.</i> TUES. " COLLECTION ACCT <i>James H. Brown</i> \$ 125.00 <i>James H. Brown</i> \$ 50.00 <i>R. B. Taylor</i> \$ 202.70 TOTAL \$		
ROUTE FROM <i>Louisville, Ky.</i> TO <i>Saint Louis, Mo.</i>			REMITTED \$ 995 BY Draft 722 76		
TOTAL 26 WEEKS		SUMMARY			

FORMS III and IV: The wider form is the reverse of FORM II. On it you can show in a general way sales, collections, mailing points and routes. The other card is used to summarize figures over twenty-six weeks

teries, the sales manager can obtain a line on the selling ability of the man in the field.

Compilation of collections and expenses can be summarized as desired on Form IV. In the form shown there is room for twenty-six weeks, and one card printed on both sides will be sufficient for the selling record of a road man for a year. The special features of this two card system are: (1) simplicity, requiring little extra

labor; (2) completeness and accessibility of records; (3) exact information as to daily route and address of salesman; (4) elasticity, permitting subdivisions and classifications giving special information.

CONCENTRATING salesmen on the lines which they habitually sell best can easily be accomplished by this simple and successful plan for using colored cards.

By using cards of different colors, departmental classification may be made. For instance, if a house has two classes of salesmen—those selling goods from one department and those selling from more than one department—the first class can be given a single color and the second group a different color for each department. This permits comparison of expenses to sales, enables the sales manager to determine with what particular line a certain salesman does the best, and allows close scrutiny of the selling records in many other ways.

Lists of customers and prospects are of value to the sales manager, and it is essential that they be compact, accessible and accurate. In selling the city trade, Form V, or some modification of it, is useful. Different colors represent districts of a compact territory, as many colors being used as there are selling districts. The card is practically self-explanatory in its make-up and may embody any special features desired. Thus the notations "a," "f," and "g" after the date in the space for "calls," refer to a code used to indicate the results of salesmen's visits. The key to this code follows:

a—Not buying.

b—Buyer out.

f—Firm overstocked and not buying.

g—Secured promise from buyer to give us a fair share of trade.

Information not covered by a key letter goes under "Remarks."

The salesman routes his cards in the office, takes them with him on his calls, makes his notations, and returns his card each evening to the cabinet where they are filed, the date tab being set to indicate the probable or exact date the next call should be made.

By modifying Form V as desired, a list of actual or

1 3 5 7 9 11 13 15 17 19 21 23 25 27 29 31											
2 4 6 8 10 12 14 16 18 20 22 24 26 28 30											
NAME <i>H. L. Haynes & Co.</i>						ADDRESS <i>275 Main St.</i>					
<i>Successors to Haynes & Smith</i>						<i>Branches: 54 Clark, 60 Lake</i>					
BUSINESS <i>Electrical Supplies</i>						RATING <i>UC 23</i>			BUYER <i>L. H. Dayton</i>		
CALLS		<i>4/6/12</i>		<i>7/14/12</i>		<i>1/24/12</i>					
		<i>a</i>		<i>c</i>		<i>j</i>					
QUOT'D		<i>4/4/12</i>									
SALES		<i>1/18/12</i>									
		<i>2251</i>									
REMARKS <i>Want to buy all glass supplies of us.</i>											

FORM V: The cards here shown are used for city routes, each district having a separate color. The "a," "c," and "j" after "calls" refer to a code covering conditions encountered at each visit. The salesman takes the cards with them, fill in the necessary notes on their routes, and file them away each evening under follow-up date tabs

prospective customers can be arranged and the form may be easily changed to suit the requirements of more extended territories. Classification of sales may also be effected by individual tabs on the cards and the colors

used to distinguish the salesmen's customers. The ordinary daily or monthly follow-up cards may be used, too, in arranging for the care of prospective business.

There is no line of business that can not use one or more of the foregoing records. They may be modified and extended to suit the particular line you sell and will be of direct use in keeping the sales manager in touch with his salesmen, his buyers, and his expenses.

Selling records, unlike production records, are simple and can be kept with absolute accuracy. The ratio of sales to expenses may be determined to the fraction of a cent, for instance, and when the record extends over a considerable length of time, such a history determines with mathematical exactness the worth of a salesman in the territory which he has worked. The importance of this is not to be under-rated. It has often been held that the value of the salesman is an indeterminable or inexact quantity. This has often been because the resources of the territory in which a sales force worked were unknown—the result of a lack of systematic records in the past. No manager can get correct impressions except from sales summaries, and these should be compact and in the best form for continuous study and everyday contact.



DID you ever stop to think how much your own presence every moment is required at your work; how dependent your clerks are on you for prices, and marking bills; how many kicks you have from your customers because no two clerks ever charge the same for an off quantity of an odd article? The merchant should avoid these petty irritations to himself and to his customers.

—David W. Rintels

XIX

FOLLOWING AND REPORTING CITY SALES

By Kendall Banning

SIMPLE systems by which each city salesman may be made to conduct his own follow-up on prospects, under the supervision of the company, are valuable time savers. One tested out by an Eastern manufacturing firm, has been adopted by the sales department of four large companies.

This system centers in a small leather booklet, three by five inches, which each salesman carries. In this book are bound, in loose leaf form, one hundred or more of the cards illustrated in Form I. These cards alternate in color, yellow and white, throughout the book.

Every time the salesman encounters a firm he makes a record of the interview on the yellow sheet and a carbon copy on the white sheet. On this sheet he writes, with indelible pencil, the essential information to be remembered, the name of the customer, the address, the date of the interview, the name of the house buyer and the kind of business followed. Since the forms reproduced here as examples of this system are used by a firm manufacturing safes, provision is made on them for information about the safe to be replaced or taken in exchange.

Space is also provided for a brief comment on the prospects of selling, and a note made of the prices

which have been quoted, the number of the floor to which delivery must be made and the date on which the salesman believes that a follow-up call should be made. The salesman then signs this slip and deposits both the original and the carbon in a basket.

Every day these slips are collected by the "item clerk." The original slip is filed chronologically, under the date on which the salesman is to make the next call. The white slip is filed geographically, according to the district in which the "item" is located.

Every night the "item clerk" selects from the file those yellow slips on which are indicated the calls to be made on the following day. These slips are taken

NAME		TOWN		DATE	
BUYER		STREET			
BUSINESS		SAFE IN USE			
SIZE	STYLE	AGE			
SIZE	STYLE	AGE			
REMARKS REGARDING CONDITION OF SALES AND PROSPECTS OF SELLING					
QUOTED ON NO.	AT	DELIVERED	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, FLOOR		
ALLOWANCE ON O S	AT	SIZE	MAKE		
CALL AGAIN			SALESMAN		

FORM 1: *The card here shown is filled out for the general follow-up file of prospects. The manager is able to go over the file and visualize the salesman's activity in a territory*

from the file and placed in a small compartment in a cabinet which serves as the salesmen's postoffice, and in which all directions and correspondence are found by the salesmen the first thing in the morning. Each of these

compartments is numbered and devoted exclusively to the use of one salesman. In this way the memoranda of calls to be made on that day are not only brought to the attention of each salesman, but are placed before him in his own handwriting. The white slips are left in the geographical file for reference.

As soon as the salesman makes these follow-up calls, he arranges a return call report, illustrated in Form II. The first of these return call reports is made out on a pink slip, on which is recorded the name of the firm, its address, the date of the call, the buyer's name and whatever comment is necessary. At the bottom of the

NAME		TOWN		DATE	
BUYER		STREET			
RETURN CALL REPORT	FIRM NAME		1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30		NOW USING
ADDRESS					
BUSINESS		PHONE			
BUYER					
SALESMAN		HAVE OUR CATALOG			
REMARKS AND QUOTATIONS		DATE OF LAST CALL			
CALL AGAIN					

FORMS II and III: The "return call report" (back card) shown here is filled out after the salesman's second interview, and can be used as a follow-up for a third talk. Form III (front card) is kept by the salesman—a check mark by one of the numbers reminds him of the next call date

slip a space is provided for a reference to the date of the next call. These pink slips are then filed chronologically in the same cabinet which contains the yellow slips. They are brought to the attention of the salesman on the date indicated.

In the same way a report on the third call is made out on a gray slip, and the date of the fourth call is indicated. Thus a complete and constant record of every prospect is kept, not only by the salesman, but by the company, which uses the white slips in the permanent file as a basis of inquiring into the work which each salesman is doing in each geographical district, and from which the company may follow the progress of each district and call the man's attention to prospects that are not being carefully followed.

GETTING a line on each salesman in this way impresses the men with your ability and establishes a valuable bond between the home office and the field force.

This supervision by the company of the work of each salesman is an advantage to both the sales force and the company. In the first place, the system impresses the salesman with the necessity of differentiating carefully between those firms which are in the market and those which are not. Secondly, the status of those who are in the field is brought to his attention mechanically and regularly, in a form which he can most easily recognize. In the third place, the system creates a bond between the company and the salesmen, whereby the latter are made to recognize the fact that the interests of both are common, and that the assigned territories are not to be regarded solely as personal property, to be worked or neglected at will, but must be cultivated by cooperation.

This system may be applied with modifications to the sales force of every manufacturing house whose salesmen make personal city solicitations. Whether these memoranda amount to one per cent or twenty-five per cent of the total calls which are made, the follow-up slips are of value in keeping the territory carefully covered.

In cases when sharp lines are not drawn between assigned territories, conflicts between salesmen who are trying to interest the same prospect are brought to the attention of the company mechanically, by means of the geographical file, and adjustments may be made before the matter comes to a dispute.

As each sale is made, the follow-up records are removed from the follow-up files. In this way, the follow-up lists are kept constantly "alive," and the state of life of each prospect is indicated by the color slip. The salesman knows that a yellow slip is a memorandum for a second call, a pink slip for a third call, and a gray slip means a fourth call. As each call usually implies a continued interest on the part of a prospect, the salesman may plan his day's work in such a way as to give his most careful attention to those firms to whom records show that the greatest amount of care has already been given.

RECORDS of prospects in his own possession and under his control enable the salesman to use spare moments for checking up and thinking out new approaches.

The salesman who wishes to keep in his own possession a permanent record of his prospects may be provided with cards like Form III, which remind him of the time elapsed since the last call and furnish all necessary data regarding quotations.

These cards the salesman may keep in an individual follow-up file. He may classify them in either of two ways: by grouping them alphabetically, and using clips over the figures at the top to guide him in picking out the cards which must be attended to each day; or by distributing them in a file with a set of guide cards numbered for each day of the month. The second method is

generally found to be the more satisfactory.

To be successful, a system of this kind does not need a great amount of time, but rather faithfulness. Records which call for daily memoranda should be attended to every night. The salesman must obey his follow-up. If he does, the system will do as much for him as an assistant salesman.

This system, although somewhat similar in purpose to follow-up systems used in other lines, is novel on account of its specific application, and bears many points of advantage over the personal notation system, which, as a rule, the average solicitor carries on for himself without the supervision of the company.



AS a principle of law, "caveat emptor" belongs to a bygone day. Its very existence is a direct admission, never to be erased from history's pages, that there was a time when the seller of goods was unscrupulous, so unscrupulous that the law gave the task of reforming him up as a bad job, and said: "Let the buyer beware!"

But what the law would not even undertake, Business did. What all the jails in Christendom could not do, Business did. For Business, by making honesty pay, has made "caveat emptor" a dead doctrine.

—John J. Roberts

XX

SHORT-CUT REAL ESTATE RECORDS

By Z. F. Windes
Browne, Windes and Company

PROSPECTS by the hundreds are annually met by the real estate man. He makes hundreds of listing, offering, selling transactions in a week. His brain is so stocked with details of current business that he must have either a phenomenal memory back of his forehead or else he ought to have a system of written records which will act as a memory for him—records that he can turn to and find what he wants when he wants it, records that will do his remembering for him better than he can ever do it himself."

In about these words my partner and I summarized a problem one night when neither of us was able to recall whether a certain property had been offered to a certain prospect. It was one of several incidents urging us to find a method of keeping reliable and convenient data about past and current transactions.

Such a method we found. Thousands of properties and customers in all their multifarious relations to our firm are through our numbering system condensed into two volumes of records, our Property Book and Customers' Book. Exact information about any of the items we have handled since we installed these records can be gained in a few minutes by turning to the proper page in one or both of these books.

We devised a form to contain the name and address of each prospective customer, with the offerings made to that customer. At the top of this form is placed a customer number. The use of a number for each property and each customer applies also to our Property Book. In this, each property number, in order, is placed at the top of a column; underneath are written the numbers of all the customers to whom that property has been submitted and the day on which they saw the property or were told of its location. Thus, we have a constant record of the prospects to whom each property has been submitted.

R *REAL estate dealers will appropriate the value of Windes' system for telling the owner exactly what has been done in the effort to sell his property.*

More than once an owner has come in to demand why his property wasn't selling. In such a case, we turn to the records and give him the names and addresses of persons who have had his property offered to them. Such a record of selling efforts is convincing. A customer's number under a property number in this book means that the customer has either personally visited the property, or, not having opportunity to make a personal visit, has received a photograph and description with the address.

In a Customer's Book, laid out in the same way, each prospect enters numerically. When a property is submitted to him, the number of the property and the date of the offering are entered. If a prospect's face is familiar, he is looked up. The alphabetical card file of customers tells us his number, and if he was formerly a customer we look up the offerings made him. His real estate disposition and methods may be recalled from the

records of five or ten years back and the information has sometimes proved of value. The few persons who waste time by looking at many properties and never buying are fairly well known. Such a person would have to make his buying intentions clear before we would go far with him. When we close the office to go to dinner or to keep business appointments, as sometimes happens, the front windows go right on with their selling function.

The Property Book records serve also as a protection. Frequently we send owners a list of numbers indicating the customers to whom his property has been submitted. This informs the restless owner that we are busy showing his property, and reminds him that should any of these prospects purchase direct, without consulting us, that we are entitled to the commission.

We estimate that our yearly loss is from \$2,000 to \$3,000 through supposed prospects tipping off the ownership of properties we have listed. If a relative or an employer of one of our prospects makes a direct purchase of a property we have listed, the probabilities are that we effected the sale. If the owner is fair to us he will pay us the commission. Sending a letter to an owner giving him the numbers of all who have seen his property acts as a check on the less scrupulous. Our yearly loss in this respect is much less, we believe, because of our Property Book records.

A young man came in one day and asked about a certain house and lot. He assumed a keen interest and was told the location. A month later we learned that the property had been sold. The buyer was a stranger to us; we had no record of him. We did find out, however, that the buyer's stenographer was the same young man who had come to us and shown such keen interest

in the property. We might have taken the case to court had not the former owner been a neighbor of mine!

We can never tell what minute a little entry jotted down among many others years ago may be lifted from a

CUSTOMERS' BOOK											
1426	1427	1428	1429	1430	1431						

PROPERTY BOOK											
1261	1262	1263	1264	1265	1266						

FORMS I and II: Records which show by numbers every property offered to each customer are kept in the "Customers' Book" shown here (above). All customers to whom a property has been offered are entered in the "Property Book" (below). Exact information about any transaction for years back can be gained in a few moments from these books

cold, dead record into a live item giving us the advantage in a business transaction today.

How much we are spending to push a property is shown by these records and guides us. The amount of our time and attention given a house and lot is fairly well indicated by the list of customer numbers under a property number in the Property Book. It is a hint to

us that either our method of presenting that particular property is not correct, or that some other factor, perhaps high price or architectural style or location, is operating against the sale. Occasionally, it happens that many customers have been offered a certain property; my memory, "under my hat," then tells me nothing definite and I turn to our office records and learn that we are giving more attention, using up too many hours and half days pushing that particular property. So we have found that the records check time wastes.

FIVE simple routine steps through which property passes on his records are explained by this successful Illinois real estate man who has made his methods pay.

Here are steps through which a property passes in our records:

1. It is entered in either the "Improved Property" or "Vacant Property" listing book and given the list number which it retains ever afterward in all our records.
2. It is located and marked by its number on our large wall map.
3. It is photographed (if improved property) and a description slip written to accompany it for display in the window and wall racks.
4. It is entered serially in the Property Book and under its number are entered the numbers of all customers to whom it is offered.
5. Its number is entered in the Customers' Book under the number of every customer to whom it is offered.

"Isn't all this too much bother? Doesn't it lose time with a lot of details whenever a place is offered for sale?" These are questions I know occur to some sales-

LIMITS MEMORANDA

BROWNE, WINDEB & CO.

REAL ESTATE AND LOANS

CHICAGO

FARMS
COUNTRY
HOMES
SUMMER
RESORTS
SITES

ADVISE US. WE CAN MORE INTELLIGENTLY SERVE YOU

WE ASK YOU TO GIVE US THIS INFORMATION FOR THE SOLE PURPOSE OF LEARNING YOUR DESIRES AND THUS MORE EASILY FINDING A PROPERTY TO SUIT YOU. WE KNOW OF AND HAVE ON OUR LISTS MANY PROPERTIES SUCH AS WE SUPPOSE YOU WANT, BUT, WE ENDEAVOR TO SAVE ANNOYING OUR PATRONS WITH UNINTERESTING OFFERS AND INTERVIEWS. NOTHING TO BE HERE UNLESS IS SAVING ON YOU. GIVE US AS GENEROUS LIMITS AS YOU CONSISTENTLY CAN.

BE SURE TO FILL IN ALL SPACES

WHAT WILL PROPERTY BE USED FOR? _____
NONE FARM RESORT OR INVESTMENT
WHAT IS PREFERRED AS TO TOWNS, RAILWAYS OR DIRECTIONS FROM CHICAGO? _____

MUST THE LAND HAVE WATER FRONTS? _____ LAKE OR RIVERS? _____
YES OR NO

MUST THE LAND HAVE HOUSE? _____ HOW MANY ROOMS? _____
YES OR NO

WHAT IS THE SMALLEST TRACT OF LAND YOU WOULD CONSIDER? _____ ACRES

WHAT IS THE LARGEST TRACT OF LAND YOU WOULD CONSIDER? _____ ACRES

WHAT IS THE OUTSIDE LIMIT OF SATISFACTORY DISTANCE FROM CHICAGO? _____ MILES

WHAT IS THE OUTSIDE LIMIT OF SATISFACTORY DISTANCE FROM DEPOT TO PROPERTY? _____ MILES

WHAT IS THE OUTSIDE LIMIT OF TOTAL PRICE YOU WILL PAY? \$ _____

WHAT IS THE OUTSIDE LIMIT OF CASH FOR FIRST PAYMENT? \$ _____

WHAT IS THE BEST WE CAN PROMISE ON PAYMENT OF BALANCE PER YEAR, INCLUDING INTEREST
AND TAXES? _____

REMARKS: _____

I WILL BE PREPARED TO INSPECT YOUR OFFERINGS ABOUT _____

NAME _____ OCCUPATION _____

BUSINESS ADDRESS _____ PHONE _____

DATE OF _____ HOURS _____

RESIDENCE _____ PHONE _____

_____ HOURS _____

NO. 9 _____

FORM 111: When a real estate prospect puts down in words and figures on this form the "limits" of what is wanted, time is saved. It is a reliable record of what he does not want and the agent knows exactly what not to show, which minimizes useless trips over farming country.

men. However, the office stenographer makes all entries into the Customers' Book and Property Book, copying from the card file. In the card file each day my partner and I enter the offerings of that day, this requiring but a few minutes, not more than two hours in a month.

Anything we find to work as a selling aid we add to our system. We are seeking new helps. For instance, we wanted to get a panoramic photograph of our territory. It would show landscape and lake view features of interest to prospective customers but impossible for us adequately to describe. We arranged with an enterprising photographer to send a captive balloon above the suburb and get a bird's-eye view picture for us. We were to pay him \$600 for the negative. He spent \$1,200 on three attempts, all three of the prints showing more water than land. This is cited as an instance of how we failed to obtain a selling aid we were after then and are still looking for. Until we get it, we must continue to show the topography with a map.

One of our short-cut methods that grew out of experience is a Limits Memoranda. This form is sent to prospective buyers of farm property. The minds of city people frequently are not clear on what kind of land, buildings, and surroundings they want in the country. Occasionally we had a prospect with only vague notions and fantastic dreams about life "far from the madding crowd" of the city; days and weeks of time were wasted in taking him from one neighborhood to another.

When such a prospect now reads our Limits Memoranda he is pinned down mentally as to the size of the farm and house desired, what he is going to use it for, whether he will specialize on chickens, squabs, celery, asparagus, or other produce to which a property may be

adaptable. To focus the mind of the prospect and get him to think clearly about how much he can spend, what are his "limits," to have him while in the city write it down in black and white, results for us in a guide which tells instantly what it would be useless to show him. Some of our prospects, we are sure, do more definite thinking over the country life problem when they sit down to fill our "Limits" than they ever did before.

B *BLIND deals are everyday events in the real estate dealer's life, and specific information from the tax warrants at small cost is often worth having.*

It pays to have at hand specific information. For this reason we keep a book which records the lot and block numbers of every piece of property in our territory. Each year our stenographer goes to the county court house and examines all the tax warrants for that year. The names and addresses of those who pay taxes on the various items are copied.

This book proves a valuable friend on occasion. In the real estate business, there is always more or less working in the dark. Few other lines have so many "blind deals," so much buying and selling through a second and third or even fourth agent. Johnson, for all we know, is buying that corner lot for his friend Hamilton, who is acting under instructions from his employer, John Macey, who is a close associate of Hobbs. Hobbs, perhaps has important business reasons why nobody should know he is after that corner lot.

The information copied from tax warrants tells us:

1. When the property last changed hands.
2. Whether taxes are paid.
3. Who paid the last taxes.
4. Whether the title is bad or good.

To know these things about a property when a man comes in to list it for sale is always an advantage. In nearly all cases the owner tells the full truth. Once in a while it happens, however, that an owner does not have accurate information about his own property. We have, at times, warned clients of taxes not paid. In any case, if we are in doubt we turn to these records. If we find the title bad, we refuse to list the property and we save (1) costs of litigation over a bad title and (2) costs of advertising and otherwise pushing a property which is not salable.

By having our stenographer go to the county court house and copy from the tax warrants, we eliminate the fee of the companies who specialize on that service. Their fee would amount to several times what it costs us.

The customer entering our office meets a system that has been nearly twenty years in the building and is not yet completed. On the walls are the racks of photographs of properties and descriptions of properties, a map for instant location and comparison of properties. At one side is a long desk. Back of it on shelves within quick reach, are the separate lists of vacant and improved property, the Property Book, the Customers' Book, the card files containing names of live customers and current offerings made to them.



THE time is passing when a business house can depend for its maintenance on the transient trade. In the large cities a small store may rise in a crowded section and flourish for a while on the purchases of those who casually drop in. But unless that store "delivers the goods" it will fail to attract most valuable of all buyers, the regular customer, and will eventually fail.

—Rufus Gilmore

XXI

HOLDING DEALER TRADE UP TO QUOTA

By W. S. Zimmerman

COMPACT sales records enable the owner and manager of a small wholesale grocery house on the Pacific coast to keep in personal touch with his customers, to check over the work of his five traveling salesmen and to hold his office force to a comparatively small unit. Two simple card systems and a ledger supply every necessary detail of this information.

The record is divided into five parts, each one of which represents the customers in a salesman's territory. The cards of each section are distinguished by a number and by a color so that there is no possibility of confusion or error. All the correspondence folders are kept by a numerical system and are numbered with their section and consecutive number besides having a distinctive color.

Two classes of records are kept. The first (Form I) lists the customers by towns and shows each customer's monthly purchases. The manager, at any time, may look over these sales records and see at a glance what customers are reducing purchases and what new accounts have been procured. If questions arise about any customer, his card is laid aside, either for personal attention or for discussion with the salesman when he next visits the office. The cards also serve as route

which have been adopted for getting payment. The card is ruled into columns which show the amount due, the date of the order, the plan of payment, and the date and amount of last payment. Plenty of space is allowed

[illegible]

FORM II: The customer's individual record is here shown. The face of the card (at the top) gives his name, address, reference number and credit rating, with sales classified according to lines or products. If his account becomes overdue, collection progress is recorded on the reverse side of the same card (lower form)

for records of letters sent. When a collection letter is mailed, a signal is clipped over the next date on which the card needs attention. The use of these signals automatically brings customers to notice on the day on which each should be followed up.

VITAL information, if concentrated in a simple, systematic way, will enable you carefully to watch both salesmen and collections during spare moments.

The man who designed the system has found that these cards enable him to keep in close touch with and direct the operation of his salesmen, and to follow his customers and collections in spite of the facts that he has to

be on the road much of his time and that the time which he can give to office work is limited. Vital information is concentrated in a small space; the colors and numbers minimize the chances of error, keep the system within reasonable limits and save a large amount of the clerical labor involved in handling customer records.

Trials of the scheme by other houses have shown that it is satisfactory for businesses which have small sales forces, yet distribute varied lines of products. With very few modifications, however, the system can be made applicable to almost any concern, to provide efficient records in the selling departments.



EVERY salesman at some time or other believes that "the other fellow's" territory is better than his own; that is part of the salesman's creed.

A man who had been reading books on mineralogy and the origin of oil, finally decided that far away up in Canada there was a strata of rock that indicated the hidden source of all petroleum. So he moved away and sold his farm in Titusville, Pennsylvania.

The purchaser of the farm, on the day of taking possession, took his cattle behind the barn to water in a brook that had been partly boarded up by his predecessor to divert the flow of a thick scum which polluted the stream.

The scum was petroleum. The previous owner for twenty-three years had literally made efforts to discard it. That stream has since poured hundreds of millions of dollars into the pockets of its subsequent owners.

—Harlow E. Bundy

General Manager, International Time Recorder Company

XXII

HOW FACTS AND RECORDS INCREASED SALES

By H. A. Ballou

Proprietor, The Ballou Paint Store

ONE DAY a customer came into my store and asked the price of a certain brand of paint. I told him that it was \$2.25 a gallon.

"You're too high-priced," he said, as he turned to go out. "I can get So-and-So's paint for \$1.25."

"Wait a minute," I requested. "Do you know what you are getting when you buy the paint you mention?"

"Well," he said, "it's paint, isn't it?"

For answer, I stepped to a file and produced a table showing the chemical analysis of the paint he had specified at the lower price. The test had been made by the United States Government, through the Department of Agriculture. The formula showed the stuff to contain about seven per cent of vegetable oil, three per cent of benzine drier, and twenty-four per cent of water, besides various other ingredients. There was no linseed oil whatever.

Now, I stepped back to the file and got the formula for the paint which I had offered him. It showed almost ninety-three per cent of linseed oil, seven per cent of turpentine drier, and one-tenth of one per cent of water.

The customer was amazed. "What kind of files do you keep in this store," he asked. "Is this a bureau of statistics?" He finished by purchasing my paint. He

could scarcely do otherwise in the face of my facts.

I mention this incident to illustrate my system. I have a small paint store. Counting myself there are five salesmen in the store, while the clerical staff comprises only two persons. Yet I have found system very valuable—quite as much so, I believe, as it is to the big business.

Without this ready reference file for paint formulas I should have lost this sale—and a great many others. I believe in systematizing and listing and indexing everything I know that pertains to my business, so that I can get hold of it instantly in an emergency. There is nothing like knowledge, right from the shoulder, to take a man off his feet.

Another customer came in one day to buy painting material. When I quoted prices and figured up the whole lot he balked. "That's too much," he declared. "Why, when I painted my house the last time it cost me only ninety dollars."

Now, if it hadn't been for my indexed knowledge, this customer would have walked out and gone somewhere else, thinking me a robber. But I stepped to my file and get out a chart, of my own construction, showing graphically just how much each ingredient had increased in price since the last time this man had painted his house. The showing was something like this:

Tin Cans	18 per cent
Silica	21 per cent
Zinc oxide	30 per cent
Japan drier	22 per cent
Linseed oil	30 per cent
White lead	45 per cent
Turpentine	101 per cent

In the face of this evidence, the customer was convinced that the increase did not go into my pockets

and he bought his stuff without another word.

Still another customer, on being given the price on a certain product, declared he could get another brand a little cheaper. Again I looked in my file and discovered

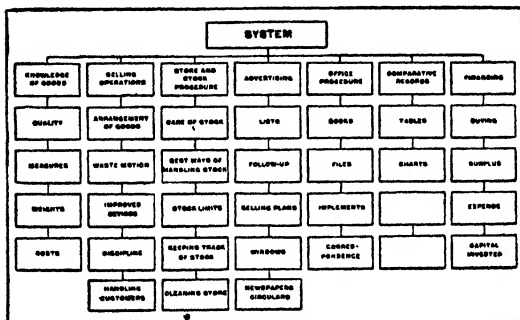


FIGURE IV: How Ballou analyzes the factors that enter into successful retail selling is shown by this chart. Notice that he gives "knowledge of goods" first place and puts it before selling operations, store methods, stock records, advertising and the other functions of store management

that the brand he quoted was put up in packages materially smaller than my own. The exact size of both packages I furnished him, in cubic inches, and he bought.

This is the sort of salesmanship I have cultivated. It is the kind that is indisputable, and no one can put over any bluff on you. In the first place, I have made it part of my business to study the goods on the market—my own and the other fellow's—and then to write down my discoveries and put them away where I can get them out quickly. I have not sought to discriminate against my own goods if they showed any failing. But if they did—well, the manufacturers always heard from me mighty quick.

My files show not only good qualities, measurements and weights, but prices. I keep posted on the prices of competing goods, and if a man comes in and tells me he can buy such-and-such an article at a given figure, I know, by referring to my files, whether he is speaking from actual knowledge or from hearsay. Other things being equal, price is an important consideration, and no merchant should neglect to keep himself advised, by some systematic procedure, as to the figures his competitors are quoting.

BALLOU *has simple records which make it possible to check complaints quickly but accurately and protect his interests to the customer's satisfaction.*

Then there is another kind of indexed information that has proved valuable to me. A farmer came into my store and made a complaint that the paint I had sold him was scaling off. "Did you put it on right away?" I asked him. "Yes," he said, "the very next day."

This was all I needed. I went to the file where all the charge tickets are kept, and soon found the record of the sale in question. All the tickets for that day were grouped and fastened together, and on the outside ticket was written: "Weather, threatening." Then I turned to the day following and found, "Weather, rain."

This was enough. "You put on your paint in wet weather," I told him. "Even the best paint fails to give satisfaction under those conditions."

He remembered, then, that he had painted over wet boards, and withdrew his complaint without argument.

All paint manufacturers send out color cards, bearing samples of the different shades. Often these cards are rather elaborate and expensive, yet many retail paint dealers toss them into a heap. When they have an in-

qu岸, they spend from five to twenty minutes hunting for the proper card, and often fail to find it. To obviate this difficulty, I spent \$20 for a special cabinet, made to order. It contained about one hundred pigeon-holes, and from them I am able to furnish customers almost instantly any color card desired. The cabinet is divided into labeled sections, and, in addition, has an index attached to one end.

We count the waste of motion. For instance, through the installation of a self-measuring device, we can now draw fifteen gallons of oil in forty-two seconds. By the old method it required fifteen minutes. And, with

[illegible]

FORMS I and II: Cash book, ledger and bill book are combined by Ballou, as here shown, into a single loose-leaf volume. From the usual duplicate sales slip, a credit account payment is first entered, itemized, at the front of this volume, in the cash book (lower form), and a moment later on the customer's ledger sheet (at the top), in the second half of the book.

an elevator to the basement and a system of piping, one man can accomplish in an hour and a half work that formerly required two men eight and a half hours.

We have a very complete system of racks and self-

sealing oil cans, and on all of these we have figured out our saving in time. I know by these reckonings that labor is often more costly than improved facilities. The waste labor in the average store is tremendous. I offer a standing reward of a dollar for every improvement suggested whereby we can cut out unnecessary motion. A recent rearrangement of some of our shelving was made on such a suggestion; in another instance, a lot of stuff that was selling well was moved and made instantly accessible. We calculated the trips saved and found that the total distance reduction in selling a given quantity was a mile.

On the same principle, we aim to reduce to the minimum the physical labor and time involved in any given sale, and to this end we study the various operations themselves. For instance, take the item of paint brushes. Go into the average store and ask for a brush, and the clerk will lay out one or two on the counter. But before he completes the sale he will have to retrace his steps to and fro perhaps many times, each time bringing another brush or two. The whole operation requires three or four times the number of minutes needed in my store, where the brushes are arranged in drawer-compartments. A whole drawer is taken out and put on the counter, and the customer makes his choice from the lot.

Then we have reduced to a schedule, so far as possible, many of the routine operations connected with the store, such as the replenishment of stock, the cleaning and so on. We find it better to have fixed times for doing these things. Even the window washing is done on a schedule, an outside man coming at a specified time for that purpose. And every Saturday the store is cleaned throughout thoroughly. You will not find either in the store it-

[illegible]

FORMS III and IV: Opposite the ledger page given each charge customer, on Ballou's characteristic blue paper, is the statement blank, with perforated stub, shown above. The small form is the duplicate receipt used by Ballou

self or in the basement or outer store-house any of the rubbish or general uncleanness that usually attaches to a paint store. All the drip-pans are cleaned and all accumulations removed from oil cans and other receptacles.

We make it a special point to keep our mailing lists as complete as possible. At periodic intervals, for instance, a man goes out in a buggy and makes a tour of every street, and of every road in the surrounding country. He notes the condition of the houses, and when he finds one that needs painting he records the fact on his list. Then, when he gets in, the names are transferred to our regular follow-up system. From our various records and from the social register we get the names of owners when we are in doubt.

WHEN a building has been painted, Ballou uses a system which looks three years ahead to the time for another coat and then jogs his customer's memory.

Whenever we sell paint for a house, barn, factory, or any other building, we enter the name on our follow-up three years ahead.

Of all our systems, however, the most interesting and, in a way, the most useful, are those which show our comparative records. I believe in comparisons, and in percentages. My comparative sales records show the goods that have gone out of my store by weeks, months, and years, arranged in quantities and percentages of increase. Not only do I keep these figures on the main products, such as paints and lead and oil, but on all the minor items. The different varnishes are itemized in percentages of their own, and so are the various other goods. I show gains in black ink and losses in red. These records not only tell me what I have done, but

they indicate the most advantageous goods to handle in the future. Goods that have sold slowly may be displaced for more profitable stock. A merchant ought to know just where his profits are coming from, so that he can push the good things.

All these comparative sales records are aggregated at the end of the year, and the result, in the form of a heavy black line drawn to a scale, is transferred to a chart that shows my annual increase in sales. I have this graphic chart-record for each year since I acquired the store.



PLACE the catalog houses on an equal footing with the retailer, large or small, and they could not do business. And this condition is coming. The country merchant is a necessity. The manufacturer knows this; the jobber knows this; and both realize that he must be protected in the way of prices on all standard articles. If all merchandise can be marketed through the catalog house direct to the consumer, cheaper, quicker, and more satisfactorily than through the retailer, then that is the way to market it. With all the facilities at hand for buying, it must not be forgotten that the more progressive people are, the quicker they want their goods. When they want a thing they want it at once, not a week hence. If the manufacturer thinks the catalog house can distribute his products the best, that is the way to market them; but if he thinks the retailer is necessary to him, he must protect him, and he is bound to realize this.

—Frank B. Lomas
Secretary, Lomas Hardware Company

XXIII

RETAIL CONTROL THROUGH SALES RECORDS

By A. W. Montgomery

FLUCTUATION in the volume of business by departments is the one objective on which the general manager of a many line store constantly keeps his eye. There may be many side issues, such as adjusting complaints, encouraging employees and altering methods and plans, but constantly his attention reverts to the barometer of trade. What does it register? If below a certain mark, what is the trouble? If above, why? He must know the reason for variations. His ability to expand the business largely depends upon the accuracy with which he senses the cause of conditions.

Department One may show by its daily report sales of \$1,100 in excess of the sales for the corresponding day a year previous. This gain may have been due to any one of several causes: an advanced season on the line carried, heavier advertising, special sales and so forth; or it may have been due to a combination of causes. On the other hand, Department Two may show sales \$900 less than last season. The reason for the loss may have been a backward season, generally depressed business, insufficient advertising and so forth. In either event the actual causes for the gain or loss must be determined.

Furthermore, for the previous season, a period that

covers six months, Department One may have failed by fifteen per cent to equal the sales of the season prior to it. Department Two, conversely, may have gained twenty per cent over the preceding season. In comparison with the one daily report already mentioned, this is paradoxical, but averages taken over long periods will explain.

WATCHING *the daily sales fluctuations enables you to get a line on the trend which will loom big at the year's end, and take in time the proper precautions.*

A summary of the causes underlying daily fluctuations for the entire season serves as a basis for determining the reasons for a total gain or loss. And these season-causes must be determined by watching daily sales in each department. The daily sale is the index; its total for any period—a week, ten days, thirty days, six months—gauges the fluctuation. It tells the percentage of gains and losses by departments. These indicate the need of cause prescriptions that reach business building policies.

In this respect, there is no difference between a single line and a many line store, so far as the management is concerned. In the former there are the same problems to be met and solved, only fewer of them. In the latter, each department is a store, and it is but necessary to treat these departments as individual stores to obtain the same result.

If there is any difference, it is this: the small merchant has the one final word when it comes to saying definitely what merchandise shall go on the shelves. The general manager of the big store is often the head merchandise man and must keep his hand on the merchandise for all departments, indirectly through assistants.

It is at this very point that the fluctuation in sales must guide him in whatever adjustments he makes.

Fluctuation in business makes it necessary for the general manager to keep track of daily sales; this can be done only by watching each department as a unit and adding for a total, to ascertain the general increase or decrease in trade.

Each morning at nine o'clock in one store, the general manager gets a daily department report that summarizes each of the fifty-five departments; the sales, say, for 1912 and 1913, the purchases for 1913, and the estimated stock for the same periods. This also gauges the merchandise purchased in comparison with the sales, the bills on file, the orders for the current month, the month ahead, and those for a longer period.

Sales form the background against which purchases are built. Merchandise may be bought for delivery at a certain time, and may be countermanded if the loss in sales is marked; or, of course, additional purchases may be made if the sales show a decided increase. The general manager must know each morning how far to go, because purchases are made daily.

This daily report starts with the sales check, which is either charge, cash or C. O. D. It matters not which, for each must fulfill its function in the total. That function is to show the charge and cash business separate from the C. O. D., which is too hazardous to rely upon.

Sales checks reach the auditing department every hour of the day. If a charge or C. O. D. slip, it makes a slight detour by way of the inspector, shipping and credit departments. If a cash slip, it goes direct to the cashier by way of the inspector and then to the auditing department.

The cash sales check is sent with money through the

tubes to the cashier. The customer receives a receipt and the salesman, simply as a protection, gets a voucher bearing the cashier's stamp.

The charge check is authorized by a representative of the credit department and by the inspector who transmits it to the auditing department.

The sales check clearly gives the purchaser and his address, the department number, the article bought and the amount. It is essential for salesmen to make an accurate record of each sale. Failure to give correct data often creates confusion in the auditing department, which is responsible for the daily summary.

T*OTAL daily sales figures can be kept sufficiently secret by this tested method, which also enables you to use the salesmen for summarizing sales and returns.*

To avoid further confusion, the salesmen summarize their sales each day. These totals are given to the head of stock, who then figures all the sales in his department and turns the report over to the department buyer or assistant buyer. The buyer then forwards it to the head bookkeeper. He and the general manager alone know the total daily sales.

The daily sales report from buyer to the auditing department is confirmed before it becomes official. The reports of sales checks and the summary are unofficial because they are subject to correction by the auditing department. After corrections are made, and any missing checks or dead C. O. D. slips traced by the auditing department, the report becomes official and is ready to form its part in the final department report to the general manager.

The department report is held until after the close of business each day to go with the final summary, which

is given to the general manager in the morning. It is only an estimate, for the dead C. O. D. business, which often amounts to a thousand dollars or more in a big store, will not appear until a day or two later. It usually takes two or three days for this business to adjust itself. Then the general manager gets his final department report.

The sales report by departments would not give the general manager a sufficient basis for finding the cause of fluctuation in business and for ascertaining the net gains, if a strict watch were not kept on the current pay roll. The absence of two salespersons in this department or that, lateness in arrival at the department, and so forth—these facts suggest incompetency or inefficiency, and might handicap the service to the extent that business in the end would show a heavy decrease. This, of course, is cared for by the superintendent.

Sales reports would also be less important as a barometer of trade if the cost of doing business for each week were not known. Just as sales fix present and future purchases, so does the cost of doing business govern them. Therefore, the general manager gets each Saturday a report of all wages and all sales for the week. Each must have its own percentage of fixed expenses and the sales must bear a fixed ratio to the pay. But the daily department report is the real barometer of business. The daily report on department organization indicates the capacity to handle business. The report on individual salaries and sales determines the cost of handling it. The three must be considered together in order to read the store's profit.

Forty-eight hours after a tornado, a Nebraska clothier who lost his stock in a fire following the storm, collected his insurance in full and had new goods on the

way to the temporary place of business which he opened. Neighboring storekeepers labored with adjusters for days before getting their settlements; in more than one case it was impossible for them to establish their claims to anything like the damage they thought they had suffered.

The sales records of the fortunate merchant helped to secure this quick action from the insurance company. Sales records, although always maintained by the larger stores, are generally avoided by small dealers who have found cost prohibitive. A solution which makes them worth their keep has been developed by a western dealer who carries a \$50,000 clothing stock. His system is simple and inexpensive to maintain. With the changes individual conditions suggest it can be adapted to a store of any size. •

The plan calls for daily and monthly sales records. This permits exhaustive analysis. Live lines may be distinguished from "stickers." Inquiries which lead to better business are suggested. Failures may be picked apart and successful plans may be intelligently followed to a satisfying conclusion. And profits put back into the business may be invested where they are certain to increase and multiply.

SIMPLE and inexpensive to maintain, this system used by a western retailer permits exhaustive analysis which points the live lines and the stickers.

Daily sales cards lead the system for store billing. Sales for the day are divided as cash and credit items and listed by departments. Columns are provided for recording the cost of articles sold either on cash or credit. At the right of the card, daily store totals are taken. At the end of the month the totals for departments are

calculated and recorded at the bottom of the card. If a weekly balance is wanted, the sum of business done

FROM NO. _____				SO. AMBOY LUMBER & SUPPLY CO.			
TO NO. _____				DATE _____			
DAILY CASH AND CHARGE SALES SLIP							
CREDITS				CASH SALES			
NUMBER	AM'T	NUMBER	AM'T	NUMBER	AM'T	NUMBER	AM'T
NO. _____ DATE _____ TIME _____ PM 19 _____							
THE SOUTH AMBOY LUMBER & SUPPLY CO PLEASE DELIVER THE FOLLOWING MATERIAL AT _____ _____ JOB TIME WANTED _____ CONTRACTOR _____							
QUANTITY		DESCRIPTION					
MARK ITEMS TO BE CHECKED AGAINST CONTRACT IN NARROW COLUMN							
RECEIVED _____				TALLY BOOK PAGE _____			
TICKET NO. _____				CHECKED BY _____			
DRIVER _____				FILLED _____			
TOTAL				TOTAL			
CASH _____ DEPOSIT _____ VOUCHERS _____ TOTAL _____				TOTAL CREDITS _____ TOTAL CASH SALES _____ TOTAL _____			

FORMS III and IV: This daily cash and charge slip (larger form) lightens bookkeeping duties in a lumber dealer's office, much as the other forms illustrated help storekeepers, and gives an accurate record of business transacted over the counter. The contractor's order blanks (smaller form) are gladly used by this dealer's customers, who find in them an effective way of checking against losses due to various causes

during that period is written in red in one of the spaces left vacant by Sunday.

Daily totals are taken from sales tickets. These are

segregated by departments as they are received. Late in the afternoon, the amounts on the slips received are added by the bookkeeper. This partial list may then be completed in a few minutes after store closing. Consequently the manager has on his desk a complete record of the day's business before he starts home for the night.

DAILY DEPARTMENT REPORT									
DATE _____ 191__						DATE _____ 191__			
DEPT. NO.	SALES 1911	SALES 1912	PUR. CHARGES 1912	EST. STOCK 1911	EST. STOCK 1912	BILLS ON FILE	ORDERS CURRENT MONTH	ORDERS DEL'Y	DEPT. NO.
1									1
2									2
3									3
4									4
5									5
6									6
7									7
8									8

FORM V: Each morning a store manager can compare by means of the report here shown, the previous day's sales with those of the corresponding date a year before, as well as the stocks on hand, the bills on file, and the orders delivered

Or he can leave it to be analyzed in the first fresh hour of the morning, as he chooses.

Careful scrutiny of this card is one of his most important tasks. Falling off of business in one department may prompt him to the invention of new sales plans. Rush of business in another department may act as a reminder to prompt buying. The effect of business changes may be shown in another column. The day's work may be reviewed in the light of past performance. In all the card is practically a daily written report from department heads.

In the form, a column for returned goods is omitted as it is the custom to deduct the sales value of goods returned from each department's total on the day's business. If such a plan is insufficient, a fourth column may be added alongside the charge sales under each department heading for handling returns.

Other features which may be added to the sales card with effect, are advertising and weather columns. The advertising column shows the space and the mediums used for the day. These facts are useful in checking up the efficiency of advertising and assist the manager in analyzing and comparing past sales records. The weather column has a similar purpose. The letter "R" for rain serves without further analysis to explain the poor sales on a day which ought to have shown a good average of returns.

MONTHLY sales sheets are the basic records of the storekeeper who uses his experience, expressed in sales figures, to guide his progress and routine.

At the end of the month, the totals of the daily sales cards are transferred to the monthly sales sheet. This is the basic record of the storekeeper who operates on a knowledge of past performances. In making it up, the total sales, cash and credit, for each department are carefully forwarded. Total costs are noted in the proper column, and from this data percentages are figured and a gross profit and per cent of gross profit obtained. Then expenses for the month are taken from the expense sheets and net profit and per cent of net profit for the month figured. At the end of the season or the half year, figures for the period are totaled in the column at the right.

With slight alterations, the system outlined may be

applied to smaller stores. For dealers carrying a stock of \$10,000 or less, the permanent daily sales summary can be filled in according to the goods sold. Subdivisions of stock take the place of departments. In addition, the daily sheet with the day of the month given, but omitting the horizontal rulings, must be kept. This remains at the cash register and clerks enter sales on it as they make them. At the close of the day the figures are totaled and carried to the permanent daily record. The monthly sales record is similar to the form used by the larger stores. Departments, however, are omitted and sales are listed on the permanent daily record.

An eastern retailer uses a system for recording sales which can be adapted to small store needs and also dovetailed into short-cut bookkeeping plans. When a sale is made, his clerk detaches the stub of the price ticket and places it in a box provided for that purpose. Every morning these stubs are collected and the number of sales marked in the proper columns on the card index.

The clerk enters the cost, selling price and lot number on the sales ticket, so it is a simple matter for the bookkeeper to follow in dollars the number of sales shown on the card index. Figures on the sales slips are carried to a combined cash book and journal and the totals are used in securing each day the daily gross profits. These daily totals are then transferred to monthly sheets. Charges and C. O. D. items are posted directly from a daily sales sheet to the journal, which carries columns for general accounts, customers' accounts and creditors' accounts. To save the bookkeeper the trouble of re-entering the individual items posted from the daily sales sheet, only the totals of these columns are transferred to ledger accounts.

The journal is ruled to economize work. The de-

scriptive spaces are in the center, and to the left are columns which care for items to be posted to the general ledger. Green lines divide the debits from the credits; faint red and blue lines across the sheet enable the bookkeeper quickly to follow and locate place and line.

This division of the ledger entries into three parts affords a daily showing of amounts due on accounts payable (credit balance of creditors' ledger column), and amounts due on accounts receivable (debit balance of customers' accounts).

The debit balance of the cash column shows the cash balance in the house and in the bank, the balance of the latter item being carried on the check stub as cash. The separation of merchandise purchases and sales is carried to avoid the too common error of padding sales with merchandise returned to manufacturers, which, in the case of large items, is enough to disturb percentage calculations on profits and expenses.

The retailer who uses such a system need not depend upon the word of his assistants, or upon his memory, for details in any section or department. He has at hand, when he needs it, an up-to-the-hour picture of his store. Variations continually suggest themselves. The system is flexible enough to meet all conditions and is limited only by the ingenuity of the user.



THE average cost of a sale and the average profit are factors which we carefully work out. Daily reports of the traveling men, including sales, traveling expenses and so on, together with the cost systems and data collected at the factory, enable the manufacturer to figure these out in a rough way every day. At the end of each month these same items, covering a long period, can be averaged up, and the average cost of each sale and the profit determined.

—John V. Steger

Founder, Steger & Sons Piano Manufacturing Company



